FRANCHISE DISCLOSURE DOCUMENT

Carl's Jr. Restaurants LLC
A Delaware Limited Liability Company
6700 Tower Circle, Suite 1000
Franklin, TN 37067
(615) 538-9400
ckefranchise@ckr.com
www.carlsjr.com

The franchisee will operate a quick service restaurant under the name "Carl's Jr.," offering a limited menu of breakfast, lunch and dinner products and featuring charbroiled 100% Black Angus Thickburger sandwiches, Hand-Breaded Chicken Tenders, and other related quick serve menu items ("Carl's Jr. Restaurant").

The total investment necessary to begin the operation of a newly-developed Carl's Jr. Restaurant ranges from approximately $ 1,816,500 - $3,304,700 for a 3,200 square foot freestanding building and $1,488,000 - $2,862,135 for a 2,200 square foot freestanding building. This includes $55,000 to $99,000, which must be paid to us. The total investment ranges do not include the cost of buying or renting the business location.

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 Danell Caron at 6700 Tower Circle, Suite 1000, Franklin, TN 37067, (615) 339-4794.

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 by calling 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.

Issued: May 24, 2026, as amended June 15, 2026

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 Exhibits H & I.
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 J 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 Carl's Jr. 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 Carl's Jr. franchisee?	Item 20 or Exhibits H & I 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 B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Tennessee. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Tennessee than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at a price the franchisor or they set. The prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

Table of Contents

ITEM	PAGE
Item 1 The Franchisor, And Any Parents, Predecessors, and Affiliates	1
Item 2 Business Experience	12
Item 3 Litigation	14
Item 4 Bankruptcy	19
Item 5 Initial Fees	20
Item 6 Other Fees	21
Item 7 Estimated Initial Investment	29
Item 8 Restrictions on Sources of Products and Services	34
Item 9 Franchisee's Obligations	38
Item 10 Financing	40
Item 11 Franchisor's Assistance, Advertising, Computer Systems, and Training	40
Item 12 Territory	54
Item 13 Trademarks	56
Item 14 Patents, Copyrights, and Proprietary Information	58
Item 15 Obligation to Participate in the Actual Operation of the Franchise Business	59
Item 16 Restrictions on What the Franchisee May Sell	60
Item 17 Renewal, Termination, Transfer, and Dispute Resolution	61
Item 18 Public Figures	66
Item 19 Financial Performance Representations	66
Item 20 Outlets and Franchisee Information	72
Item 21 Financial Statements	79
Item 22 Contracts	79
Item 23 Receipts	80

Exhibits

A. List of State Administrators

B. Agents for Service of Process

C. Development Agreement

D. Franchise Agreement (including Guarantee and Assumption, Franchise Information (Appendix A), Weekly Royalty Fee (Appendix B), Franchisee's Advertising and Promotion Obligation (Appendix C), Ownership Interests (Appendix D), Acknowledgement Addendum (Appendix E), Commencement Date Agreement (Appendix F), Lease Addendum (Appendix G), ACH Authorization Form (Appendix H), Star University License Agreement (Appendix I)

E. Preliminary Agreement

F. Confidentiality Agreement

G-1. Software Support Agreement for PAR Brink/Genius and CrunchTime

G-2. OLO Authorized Operator Agreement

H. List of Franchisees That Closed/Transferred Franchised Restaurants in Last Fiscal Year

I. List of Franchisees and Franchised Locations

J. Financial Statements

K. Addenda Required by Certain States

L. Development Incentive Program Addendum to Franchise Agreement

M. Renewal Addendum

N. Sublease

O. State Effective Date Pages

Receipts

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

To simplify the language in this disclosure document, "we," "us" and "CJR" refer to Carl's Jr. Restaurants LLC, the franchisor. "You" refers to the person or legal entity who buys the franchise. If you are a corporation, partnership, limited liability company or other business entity, certain provisions of this disclosure document also apply to your owners and will be noted.

CJR is offering, in connection with this disclosure document, the opportunity to become a franchisee and operate a Carl's Jr. Restaurant at a traditional location.

CJR may offer franchises to operate Carl's Jr. Restaurants at nontraditional locations under one or more separate disclosure documents. That offer will be on terms and conditions different from those described in this disclosure document. Nontraditional locations include, but are not limited to, airports, train stations, bus stations, travel plazas, gas and convenience locations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location.

Carl's Jr. Restaurants are quick service restaurants offering a limited menu of breakfast, lunch and dinner products and featuring charbroiled 100% Black Angus Thickburger sandwiches, Hand-Breaded Chicken Tenders, and other related quick serve menu items.

The Franchise. You can buy a franchise to develop and operate one Carl's Jr. Restaurant ("Franchised Restaurant"), or if you and the area in which you are interested meet certain qualifications, you can buy the rights to develop multiple (at a minimum, three) Carl's Jr. Restaurants under a Development Agreement (the current form is attached as Exhibit C). No later than our acceptance of a site and your execution of a lease or sublease of the site, or the closing on your purchase of the site, you and we will execute a Franchise Agreement (the current form is attached as Exhibit D), which will govern your development and operation of the Franchised Restaurant, and you will pay the Initial Franchise Fee. You may not commence construction until the Franchise Agreement is fully executed. You will execute the form of Franchise Agreement in use at the time immediately prior to your commencing construction of the Franchised Restaurant.

You should not acquire any interest in a site for the Franchised Restaurant until you have been approved as a franchisee (or, if you already are a franchisee, until you have been approved for expansion) and we have accepted the site in writing.

If you are not currently a franchisee, prior to your entering into any other agreement with us, we may require you to execute a Preliminary Agreement (the current form of which is attached as Exhibit E) under which you must agree to keep confidential the information provided by CJR to you during Discovery Day (described below). During Discovery Day, you must attend a 2-day meeting at CJR's offices and at a CKR Restaurant during which you will meet with, and be evaluated by, various CJR personnel. In addition, those individuals who will have a 10% or greater interest in the franchisee entity may be required to complete, as we deem necessary and to our satisfaction, an operations overview, which lasts approximately 10 business days ("10-Day Operations Overview").

Your receipt of this disclosure document does not mean that you will be approved as a franchisee or that you may develop or open a Franchised Restaurant. Before you may develop and open a Franchised Restaurant, CJR must approve you as a franchisee (or, if you already are a franchisee, approve you for

expansion), CJR must accept the location of your proposed Franchised Restaurant, you must attend and successfully complete CJR's franchise management training program ("FMTP") and CJR and you must sign the Franchise Agreement. Among other things, you should not acquire any interest in a site for a Franchised Restaurant until, at the earliest, you are approved by CJR as a franchisee (or, if you already are a franchisee, approved for expansion) and CJR accepts the site for your Franchised Restaurant.

Development Incentive Program. Franchisees who sign a Development Agreement or a Franchise Agreement for a new-construction Carl's Jr. Restaurant by no later than May 24, 2027, may qualify for our Carl's Jr. Restaurant 2026 Development Incentive Program (the "CJR 2026 Development Incentive Program"). Under the CJR 2026 Development Incentive Program, we will reduce the royalty fee and APO fee as set forth in Item 6 for the first three years of the franchise term. The CJR 2026 Development Incentive applies to the development of new Carl's Jr. Restaurants only. The CJR 2026 Development Incentive does not apply to: (i) relocated, remodeled, reimaged, or scrape and rebuild Carl's Jr. Restaurants, (ii) Carl's Jr. Restaurants opened and operated from non-traditional locations, and (iii) Carl's Jr. Restaurants developed in high population density areas.

To be eligible for the CJR 2026 Development Incentive Program, an existing franchise must meet the following requirements: (i) sign a Development Agreement or Franchise Agreement for the development of one or more newly-constructed Carl's Jr. Restaurant(s) by no later than May 24, 2027, (ii) franchisee must open the newly-constructed Carl's Jr. Restaurant(s) by the date(s) outlined in the corresponding Development Agreement or Franchise Agreement, (iii) franchisee may not be in default of its obligations under its existing franchise agreements or related agreements with CJR or its affiliates, (iv) franchisee must be approved for growth by CJR and its affiliates, (v) franchisee must satisfy CJR's then-current financial and operational requirements for new restaurant development, and (vi) franchisee and the Carl's Jr. Restaurant(s) otherwise meet the requirements of the CJR 2026 Development Incentive Program. New franchisees are also eligible to participate in the CJR Development Incentive Program provided they: (i) sign a Development Agreement or Franchise Agreement for the development of one or more newly-constructed Carl's Jr. Restaurant(s) by no later than May 24, 2027, (ii) open the newly-constructed Carl's Jr. Restaurant(s) by the date(s) outlined in the corresponding Development Agreement or Franchise Agreement, and (iii) meet the requirements of the CJR 2026 Development Incentive Program.

If you qualify for the CJR 2026 Development Incentive Program, simultaneously with your execution of the qualifying Franchise Agreement, you will sign a CJR 2026 Development Incentive Program Addendum to the Franchise Agreement (Exhibit L), which memorializes your right to receive the development incentives described above for the applicable Franchised Restaurant.

If you sign the CJR 2026 Development Incentive Program Addendum to Franchise Agreement, you will not be entitled, with respect to the applicable Franchised Restaurant covered by the CJR 2026 Development Incentive Program, to any other incentives that have been or may be offered by us.

Licenses; Permits; Applicable Laws; and Competition. It is your sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of your business and to ensure that such operation does not violate any federal, state or local law or regulation. For example, there are various federal laws that could affect your business and that you must comply with such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). Further, you must comply with all local, state and federal laws and regulations applicable to the operation of your Restaurant, including health, sanitation, food handling, food preparation, waste disposal, packaging and waste disposal, including compliance with applicable extended producer responsibility ("EPR") laws,

which may impose reporting, fee payment, and recycling obligations related to packaging materials used in your business, smoking restrictions and advertising and point-of-sale disclosures, including statements concerning the nutritional and dietary characteristics of the food served at your Restaurant. Subject to applicable law, we may require you to reimburse us for any taxes, fees or assessments we incur in our role as franchisor of the Carl's Jr. brand or licensor of the Proprietary Marks that relate to your compliance with federal, state or local laws. You should consult with your attorney concerning all laws and regulations that may affect your Restaurant operations.

In addition, all newly-developed Carl's Jr. Restaurants must contain a charbroiler. The charbroiler has been the subject of regulation in certain areas of the country, including California where, in some regions, chain-driven charbroilers must have catalytic converters. The possibility exists that other states may require that air pollution control equipment be installed in connection with the use of a charbroiler. You would be expected to comply with these regulations, if applicable to your Restaurant, and pay all costs of installation and maintenance of the control equipment.

The restaurant business, including the quick service segment, is highly competitive. You will be competing with other quick service restaurants, including national and regional restaurant chains, fast-casual restaurants, full-service casual-dining restaurants, budget restaurants, health and nutrition-oriented restaurants, delicatessens and prepared food restaurants, take-out food service companies, supermarkets, coffee shops and convenience stores. The ability of each Carl's Jr. Restaurant to compete depends on its location, ingress and egress, signage, parking, service, employee attitudes, overhead, changing local market and economic conditions and many other factors both within and outside your control.

The Franchisor and Its Predecessor. CJR is a Delaware limited liability company organized on January 30, 2013. Our principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067. Our agents for service of process in various states are listed in Exhibit B. We do business under the name "Carl's Jr.". We have operated and offered franchises for Carl's Jr. Restaurants since April 1, 2013.

As of January 26, 2026, there were 50 company-operated Carl's Jr. restaurants and there were 942 domestic franchised Carl's Jr. restaurants, including 85 Dual Concept restaurants. Dual Concept Restaurants are quick service Carl's Jr. Restaurants that also offer certain Green Burrito Mexican food products. In addition, as of January 26, 2026, there were the following international franchised Carl's Jr. Restaurants: American Samoa – 1; Australia – 27; Cambodia – 6; Canada – 21; Chile – 31; Denmark – 15; Dominican Republic – 1; Ecuador – 29; France – 5; Guatemala – 5; India – 4; Indonesia – 4; Japan – 3; Malaysia – 5; Mexico – 451; New Zealand – 17; Nicaragua – 6; Panama – 12; People's Republic of China – 3; Puerto Rico – 2; Russia – 17; Singapore – 3; Spain – 37; Turkey – 25; and United Kingdom – 2. (American Samoa and Puerto Rico are considered to be international locations even though they are U.S. territories.) CJR has operated, and offered franchises for, Carl's Jr. Restaurants since April 1, 2013. CJR has not engaged in any other business or offered franchises in any other line of business.

Our predecessor is Carl Karcher Enterprises, Inc., a California corporation incorporated on February 7, 1966, whose principal place of business was 6307 Carpinteria Avenue, Carpinteria, California 93013. On March 26, 2013, it was converted from a corporation to a limited liability company, Carl Karcher Enterprises LLC, a Delaware limited liability company formed on February 25, 2013. Effective October 7, 2013, Carl Karcher Enterprises LLC was converted to a California limited liability company. Carl Karcher Enterprises LLC has the same principal place of business as ours. (Carl Karcher Enterprises, Inc. and Carl Karcher Enterprises LLC will be collectively referred to in this disclosure document as "CKE".) CKE operated Carl's Jr. Restaurants from 1966 until March 31, 2013. CKE also offered franchises for Carl's Jr. Restaurants from 1984 until March 31, 2013. From 1997 to 1998, CKE also offered franchises

to operate Carl's Jr./Hardee's Dual Concept Restaurants. CKE has not engaged in any other business or offered franchises in any other line of business.

The Financing Transaction and the Management Agreement. On April 1, 2013, in connection with a financing transaction, CKE assigned to us all existing franchise agreements ("Franchise Agreements") and development agreements ("Development Agreements") governing franchised Carl's Jr. Restaurants so that we could expand and administer the Carl's Jr. System (through new franchises and other means) and, pursuant to a Contribution Agreement, CKE contributed to us its ownership of the "Carl's Jr." trade names, service marks and other trademarks that are associated with the Carl's Jr. System and we were assigned ownership of the "Green Burrito" trade names, service marks and other trademarks that are associated with the GB Dual Concept System (collectively, "Proprietary Marks"). In addition, substantially all of the real estate assets associated with the operation of company-owned Carl's Jr. Restaurants previously owned or leased by CKE (or its affiliates) and substantially all of the real estate leases and subleases between CKE (or its affiliates) and franchisees were assigned to us, and we assumed the operation of substantially all of the company-owned Carl's Jr. restaurants.

Under an April 1, 2013 management agreement ("Management Agreement") among our indirect corporate parent, CKE Restaurants Holdings, Inc., us and several other parties, CKE Restaurants Holdings, Inc. may – at all times acting on our behalf – fulfill all of our duties and obligations under all existing and future Franchise Agreements and Development Agreements, including: managing the Carl's Jr. System; marketing and offering new and renewal Franchise Agreements and Development Agreements as our franchise broker; training franchisees and their employees; and providing the required support to franchisees. CKE Restaurants Holdings, Inc. will act in conjunction with CKE in fulfilling our duties and obligations under the Franchise Agreements and Development Agreements.

If CKE Restaurants Holdings, Inc. fails to perform its obligations under the Management Agreement, it may be replaced as the franchise service provider. However, as the franchisor, we will always be ultimately responsible for fulfilling all of our duties and obligations under your Franchise Agreements and Development Agreements.

Our Parent and Certain Affiliates. Our direct corporate parent is Carl's Jr. Funding LLC ("CJF"), and CJF's direct corporate parent is Carl's Jr. SPV Guarantor LLC ("SPV"). CJF and SPV are Delaware limited liability companies organized on January 30, 2013, with the same principal place of business as ours. Neither CJF nor SPV offer franchises in any line of business or provide products or services to Carl's Jr. franchisees.

SPV's direct corporate parent is CKE, and CKE's direct corporate parent is CKE Restaurants Holdings, Inc., which is a wholly-owned subsidiary of CKE Inc. Prior to March 26, 2013, we were an indirect wholly-owned subsidiary of CKE Restaurants, Inc., a Delaware corporation formed in March 1994 whose principal place of business was 6307 Carpinteria Avenue, Carpinteria, California 93013. On March 26, 2013, CKE Restaurants, Inc. was merged into CKE Restaurants Holdings, Inc., with CKE Restaurants Holdings, Inc. as the surviving entity. CKE Restaurants Holdings, Inc. is a Delaware corporation organized on February 22, 2013, whose principal place of business is the same as ours and CKE Inc. is a Delaware corporation incorporated on April 15, 2010, whose principal place of business is the same as ours. On December 24, 2013, the substantial majority of all issued and outstanding shares of common stock of CKE Inc. was acquired by CKE Holding Corporation, a Georgia corporation organized on November 7, 2013, whose principal place of business is 1180 Peachtree Street, Suite 2500, Atlanta, GA 30309. Neither CKE Holding Corporation, CKE Inc. nor CKE Restaurants Holdings, Inc. offer franchises in any line of business, and neither CKE Holding Corporation nor CKE Inc. offer or provide products or services to Carl's Jr. franchisees. (CKE Restaurants, Inc. and CKE Restaurants Holdings, Inc. will be collectively referred to in

this disclosure document as "CKR".) Our direct affiliate that offers franchises or provides products or services to Carl's Jr. franchisees, in addition to CKR, is Hardee's Restaurants LLC ("HR").

HR is a Delaware limited liability company formed on January 30, 2013, whose principal place of business is the same as ours. As of January 26, 2026, there were 198 company-operated Hardee's restaurants, and there were 1,287 domestic franchised Hardee's restaurants, including 106 Dual Concept restaurants. Dual Concept Restaurants are quick service Hardee's Restaurants that also offer certain Red Burrito Mexican food products. In addition, as of January 26, 2026, there were the following international franchised Hardee's Restaurants: Bahrain – 17; Egypt – 40; Iraq – 16; Jordan – 3; Kazakhstan – 26; Kenya – 1; Kuwait – 61; Oman – 13; Pakistan – 32; Palestine – 5; Qatar – 24; Saudi Arabia – 154; United Arab Emirates – 107; and Uzbekistan – 3. HR has operated and offered franchises for Hardee's Restaurants since April 1, 2013. HR has not engaged in any other business or offered franchises in any other line of business.

Affiliated Franchise Programs.

Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs (**"Affiliated Programs"**). None of these affiliates operate a Carl's Jr. Restaurants franchise.

GoTo Foods Inc. ("**GoTo Foods**") is the indirect parent company to seven franchisors, including: Auntie Anne's Franchisor SPV LLC ("**Auntie Anne's**"), Carvel Franchisor SPV LLC ("**Carvel**"), Cinnabon Franchisor SPV LLC ("**Cinnabon**"), Jamba Juice Franchisor SPV LLC ("**Jamba**"), McAlister's Franchisor SPV LLC ("**McAlister's**"), Moe's Franchisor SPV LLC ("**Moe's**"), and Schlotzsky's Franchisor SPV LLC ("**Schlotzsky's**"). All seven GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2025, there were 1,236 franchised and 11 affiliate-owned Auntie Anne's shops in the United States and 887 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2025, there were 359 franchised Carvel shoppes in the United States and 54 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2025, there were 1,310 franchised and 29 affiliate-owned Cinnabon bakeries in the United States, 1,057 franchised Cinnabon bakeries outside the United States, and 201 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who

come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2025, there were 709 franchised Jamba stores and one affiliate-owned Jamba store in the United States and 62 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants that feature deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2025, there were 533 franchised and 39 affiliate-owned McAlister's restaurants in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2025, there were 563 franchised and five affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants that feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2025, there were 267 franchised and 27 affiliate-owned Schlotzsky's restaurants in the United States.

Inspire Brands, Inc. ("**Inspire Brands**") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), and Sonic Franchising LLC ("**Sonic**"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("**Inspire International**"), DB Canadian Franchising ULC ("**DB Canada**"), DDBR International LLC ("**DB China**"), DD Brasil Franchising Ltda. ("**DB Brasil**"), DB Mexican Franchising LLC ("**DB Mexico**"), and BR UK Franchising LLC ("**BR UK**"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 28, 2025, there were 3,265 Arby's restaurants operating in the United States (2,344 franchised and 921 company-owned), including one multi-brand location. Additionally, as of December 28, 2025, there were 243 single-branded franchised Arby's restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the

United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 28, 2025, there were 2,186 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,186 restaurants, 958 were single-branded Baskin-Robbins restaurants, 9 were Baskin-Robbins restaurants operating at a multi-brand location, and 1,219 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 28, 2025, there were 5,696 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 28, 2025, there were 1,178 Buffalo Wild Wings Sports Bars operating in the United States (549 franchised and 629 company-owned, including one company-owned Buffalo Wild Wings Sports Bar operating at a multi-brand locations)) and 64 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 28, 2025, there were 219 BWW-GO Restaurants operating in the United States (194 franchised and 25 company-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 28, 2025, there were 9,999 Dunkin' restaurants operating in the United States (9,963 franchised and 36 company-owned). Of those 9,999 restaurants, 8,743 were single-branded Dunkin' restaurants, 37 were Dunkin' restaurants operating at multi-brand locations, and 1,219 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 28, 2025, there were 4,242 single-branded franchised Dunkin' restaurants operating internationally.

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 28, 2025, there were 2,777 Jimmy John's restaurants operating in the United States (2,737 franchised and 40 affiliate-owned). Of those 2,777 restaurants, 2,737 were single-branded Jimmy John's restaurants and 40 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 28, 2025, there were 37 franchised Jimmy John's restaurants operating internationally.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 28, 2025, there were 3,412 Sonic Drive-Ins operating in the United States (3,120 franchised and 292 company-owned), including two multi-brand locations (one franchised and one company owned).

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold

Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC (**"Primrose"**) is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2025, there were 558 franchised Primrose facilities in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC (**"Massage Envy"**) is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2025, there were 993 Massage Envy locations operating in the United States, including 986 operated as total body care Massage Envy businesses and 7 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2025, there were 9 regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

Driven Holdings, LLC ("**Driven Holdings**") is the indirect parent company to 9 franchisors, including Meineke Franchisor SPV LLC ("**Meineke**"), Maaco Franchisor SPV LLC ("**Maaco**"), Merlin Franchisor SPV LLC ("**Merlin**"), Econo Lube Franchisor SPV LLC ("**Econo Lube**"), 1-800-Radiator Franchisor SPV LLC ("**1-800-Radiator**"), CARSTAR Franchisor SPV LLC ("**CARSTAR**"), Take 5 Franchisor SPV LLC ("**Take 5**"), ABRA Franchisor SPV LLC ("**Abra**") and FUSA Franchisor SPV LLC ("**FUSA**"). In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, Abra and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, Econo Lube, Merlin, CARSTAR, Take 5, Abra and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. None of these franchise systems have offered franchises in any other line of business.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, axles wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune-ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 27, 2025, there were 735 franchised Meineke centers, 14 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automobile painting and body repair. As of December 27, 2025, there were 360 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 27, 2025, there were 11 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 27, 2025, there were 8 Econo Lube N' Tune franchises and 8 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 27, 2025, there were 190 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 27, 2025, owned and operated one 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 27, 2025, there were 479 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 27, 2025, there were 501 franchised Take 5 outlets and 807 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 27, 2025, there were 55 franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 27, 2025, there were 218 franchised Fix Auto repair shops and no company-owned shops operating in the United States.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 27, 2025, there were: (i) 6 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 11 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 330 franchised CARSTAR facilities and no company-owned CARSTAR facility in Canada; (v) 31 franchised Take 5 outlets and 7 company-owned Take 5 outlets in Canada; (vi) 85 franchised UniglassPlus businesses, 24 franchised UniglassPlus/Ziebart businesses, and 5 franchised Uniglass Express businesses in Canada, and one company-owned UniglassPlus business and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 57 franchised VitroPlus/Ziebart businesses and 3 franchised Vitro Express businesses in Canada, and no company-owned VitroPlus or company-owned VitroPlus/Ziebart businesses in Canada; (viii) 30 franchised Docteur du Pare Brise businesses and no company-owned Docteur du Pare Brise businesses in Canada; (ix) 10 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 7 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In December 2021, Driven Brands acquired Auto Glass Now's repair locations. As of December 27, 2025, there were more than 249 repair locations operating under the AUTOGLASSNOW® name in the United States ("**AGN Repair Locations**"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

ServiceMaster Systems LLC is the direct parent company to three franchisors operating five franchise brands in the United States: Merry Maids SPE LLC ("**Merry Maids**"), ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**") and Two Men and a Truck SPE LLC ("**Two Men and a Truck**"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021.The three franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2025, there were 685 Merry Maid franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under

the ServiceMaster Clean® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2025, there were 584 ServiceMaster Clean franchises, and 1,912 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2025, there were 350 Two Men and a Truck franchises and one company-owned Two Men and a Truck businesses in the United States. As of December 31, 2025, there were 68 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada, **ServiceMaster Limited** offers franchises in Great Britain, and **Two Men and a Truck** offers franchises in Canada and Ireland.

Mathnasium Franchisor LLC (**"Mathnasium"**) franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium's predecessor began offering franchises in late 2003. Mathnasium's predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2025, there were 1043 franchised and four affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Franchisor LLC also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2025, there were 104 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2025, there were 108 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

Youth Enrichment Brands, LLC is the direct parent company to three franchisors operating in the United States: i9 Sports, LLC (**"i9"**), SafeSplash Brands, LLC also known as "**Streamline Brands**"**),** and School of Rock Franchising LLC ("**School of Rock**"). i9 became an Affiliated Program through an acquisition in September 2021. Streamline Brands became an Affiliated Program through an acquisition in June 2022. School of Rock became an Affiliated Program through an acquisition in September 2023. The three franchisors have never offered franchises in any other line of business.

i9 franchises businesses that operate, market, sell, and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products, and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 has its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2025, there were 294 i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide "learn to swim" programs for children and

adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand since August 2015 through March 2023 and under the SwimLabs brand from February 2017 through March 2023. Streamline Brands became an Affiliated Program through an acquisition in June 2022 and has its principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2025, there were 106 franchised and 16 affiliate-owned SafeSplash Swim School outlets (including 14 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, eight franchised Swimtastic swim schools, and one dual-branded Swimtastic and SwimLabs swim school operating in the United States.

School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, MA 02021. As of December 31, 2025, there were 276 franchised and 47 affiliate-owned School of Rock schools in the United States and 111 franchised School of Rock schools outside the United States.

Doctor's Associates LLC ("**Subway**") franchises retail eating establishments which sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2025, there were 18,773 Subway franchises and no company-owned locations operating in the United States and an estimated 16,495 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

Dave's Hot Chicken Franchise Co. SPV LLC ("DHC") is a franchisor of restaurants that feature Nashville-style hot chicken tenders and sliders with made-to-order spices and related food and drink items in a fun, fast-casual restaurant format under the name "Dave's Hot Chicken®". DHC and its affiliates have been offering franchises for Dave's Hot Chicken restaurants since March 2019, and became an Affiliated Program in May 2025. DHC's principal place of business is 600 Playhouse Alley, Unit 504, Pasadena, CA 91101. As of December 31, 2025, there were 348 franchised Dave's Hot Chicken restaurants and 10 affiliate-owned Dave's Hot Chicken restaurants in the United States and 34 franchised Dave's Hot Chicken Restaurants outside the United States. DHC has not offered franchises in any other line of business.

None of the affiliated franchisors listed above are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

ITEM 2
BUSINESS EXPERIENCE

Independent Manager: Albert J. Fioravanti

Mr. Fioravanti has served as our Independent Manager since April 2014. He has been employed by Lord Securities Corporation ("Lord Securities"), which provides services to the securitization and structured finance market, located in New York, NY, since December 1999 and currently serves as Managing Director for Lord Securities.

Independent Manager: Leonard Padula

Mr. Padula has served as our Independent Manager since February 2017. He has been employed by Lord Securities since March 2004 and currently serves as a Vice President for Lord Securities.

Brand President: Iwona Alter

Ms. Alter has held this position since December 2025. Ms. Alter served as Chief Operating Officer for Habit Burger & Grill from December 2022 until December 2025. Prior to that, Ms. Alter was Habit Burger & Grill Chief Brand Officer from December 2018 to December 2022. From October 2016 through September 2018, she was Chief Marketing Officer for Jack In The Box in San Diego, California.

Vice President – Franchise Operations: Jeff Roberts

Mr. Roberts has held this position since April 2026. From January 2025 until April 2026, he was actively seeking employment. Previously, he served as Division Vice President for The Wendy's Company from July 2018 to January 2025 located in Dublin, Ohio.

Franchise Manager: CKE Restaurants Holdings, Inc. ("CKR")

As described in Item 1, under the Management Agreement, CKR will act as our franchise broker and will also, on our behalf, fulfill our duties under the Development Agreements and Franchise Agreements. In addition to those principal officers identified above for the franchisor, listed below are the principal officers and other individuals of CKR who have management responsibility relating to the sale or operation of Hardee's Restaurant franchises.

Chief Executive Officer: Joe Guith

Mr. Guith has served as our Chief Executive Officer since March 2025. Mr. Guith holds this same position with CKE, CKR, HR and SPV. From August 2022 to February 2025, he served as Chief Executive Officer and a Director of Cajun Global LLC d/b/a Church's Chicken located in Atlanta, Georgia. From April 2021 to July 2022, he served as Category President, Restaurant Brands for McAlister's, Moe's and Schlotzsky's at Focus Brands LLC in Atlanta, Georgia. From April 2018 to April 2021, he served as President of McAlister's Deli in Atlanta, Georgia.

Chief Financial Officer: Danton Nolan

Mr. Nolan has held this position since June 2026. Mr. Nolan holds this same position with CKE, CKR, HR and SPV. Previously, Mr. Nolan served as Executive Vice President and Chief Financial Officer for Cajun Global LLC d/b/a Church's Chicken in Atlanta, Georgia from February 2023 to May 2026. He served as Senior Vice President, Finance for Inspire Brands Inc. in Atlanta, Georgia from February 2018 to January 2023.

Chief Legal Officer: Kerry Olson

Ms. Olson has held this position since March 2025 and holds the same position with CJF, CKE, CKR, HR and SPV. She served as General Counsel and Chief Legal Officer of CJR, CJF, CKE, CKR, HR and SPV from July 2018 to March 2025 in Franklin, Tennessee.

Chief Supply Chain Officer: Mauricio Sirgo

Mr. Sirgo has held this position since November 2025. Previously, he served as Global Supply Chain Executive Consultant for Maine Pointe in Boston, Massachusetts, from November 2024 to November 2025. From April 2018 until March 2024, he served as Senior Vice President of Supply Chain, Pizza Hut & International Sourcing, for Restaurant Supply Chain Solutions, LLC, a Yum! Co-Op in Louisville, Kentucky.

Chief Commercial Officer: Ben Halliwell

Mr. Halliwell has held this position since April 2026. Previously, he served as Senior Vice President, Digital Growth Marketing and Media for Marcos Pizza Franchising LLC in Toledo, OH from October 2023 to April 2026. From July 2018 to May 2023, he served as Vice President, Customer Personalization for Inspire Brands located in Atlanta, Georgia.

Senior Vice President – Finance: James Damle

Mr. Damle has served as our Senior Vice President, Finance since January 2025. From November 2019 to January 2025, Mr. Damle was Vice President, FP&A for Little Caesars Enterprises, headquartered in Detroit, Michigan.

Vice President – Finance: Diane Simrall

Ms. Simrall has held this position since March 2025. She holds the same position with CJF, CKE, CKR, HR and SPV. She served as Head of Non-Traditional Development and Franchise Finance (from February 2024 to March 2025) and as Director of Franchise Finance (from January 2023 to February 2024) for Pizza Hut, LLC located in Plano, Texas. She served as Director of Franchise Finance for KFC US, LLC from July 2018 to January 2023, located in Louisville, KY.

Vice President – Legal: Danell Caron

Ms. Caron has held this position since April 2023. Prior to joining CKE, Ms. Caron served as General Counsel (from August 2022 to March 2023) and Director of Legal and Franchise Administration (March 2020 to July 2022) for Great Clips, Inc., in Bloomington, Minnesota.

ITEM 3
LITIGATION

Franchisor Litigation – Concluded Matters

(1) *6Points Food Services Ltd. v. Carl's Jr. Restaurants LLC, et al., N*o. 15-543370 *(Sup. Ct. of Justice, Ontario)*

This proceeding was a consolidation of two actions commenced by 6Points Food Services Ltd. ("6Points"), a Canadian developer and franchisee, in the Sup. Ct. of Justice, Ontario (No. 15-453370 and No. 16-546487).

On December 23, 2015, 6Points filed an action in the Ontario Superior Court of Justice against CJR (court file no. 15-543370). The action seeks a declaration that 6Points' November 10, 2015 notice of rescission validly rescinded the development, franchise, and "related" agreements with CJR. 6Points' notice and its Statement of Claim invoke Ontario's Arthur Wishart Act to allege that CJR's franchise

disclosures were deficient. 6Points further alleges that CJR failed to comply with certain representations and contractual obligations, and its obligation of fair dealing. In addition to the declaration, 6Points seeks CD $8,000,000 in damages, along with other incidental relief.

On February 11, 2016, 6Points filed an action in the Ontario Superior Court of Justice against CKR, Ned Lyerly, Jr., Michael Woida and Jeff Branton (court file no. 16-546487). The action reasserts the same claims as in the action described above. On August 8, 2016, the Court ordered that the two actions described above are consolidated into a single action under court file no. 15-543370.

On August 18, 2016, 6Points served an Amended Statement of Claim in the consolidated action, against the defendants in the actions above. The Amended Statement of Claim reasserts the same claims advanced by 6Points in the two actions described above. On August 30, 2016, the defendants served the Statement of Defence of all defendants and CJR's Counterclaim. The Statement of Defence denies all liability and requests that the action be dismissed.

On August 30, 2016, the defendants served the Statement of Defence of all defendants and CJR's Counterclaim. The Statement of Defence denies all liability and requests that the action be dismissed. CJR's Counterclaim names 6Points, Michael Meekins and Michael Levine as defendants ("Franchisee Parties"). The Counterclaim asserts claims against 6Points for breach of its development, franchise, and letter of credit agreements, and for anticipatorily repudiating the development and franchise agreements, as well as for breach of its obligation of fair dealing. The Counterclaim asserts claims against Michael Meekins and Michael Levine for breach of a contract to provide a letter of credit, and asserts that they are liable for payment of all amounts owing by 6Points pursuant to a personal guarantee. The Counterclaim claims damages in an amount to be proven at trial.

On November 16, 2016, 6Points, Michael Meekins and Michael Levine served a Reply and Defence to Counterclaim. The Defence to Counterclaim denies all liability of 6Points, Michael Meekins and Michael Levine and requests that the Counterclaim be dismissed. On December 5, 2016, CJR served a Reply to Defence to Counterclaim. On December 19, 2018, the Court ordered, 6Points to deliver documents to CJR in preparation for further discoveries. On or about October 12, 2022, the parties reached an agreement to settle the litigation with the following terms: (a) defendants agreed to pay Franchisee Parties $5,500,000 US dollars, (b) the parties agreed to mutual releases of any and all claims, including claims arising from this litigation, all without any admission of liability on any party. The Court granted the parties' stipulated motion to dismiss the case on October 14, 2022.

(2) Ashlie Harris v. CJ Star, LLC, Carl's Jr. Restaurants LLC, and DOES 1-10, (United States District Court, Eastern District of Washington, Spokane Division, Case No 2:18-cv-00247, filed August 3, 2018).

On August 3, 2018, Ashlie Harris, a former employee of a Carl's Jr. franchisee, filed a lawsuit in the federal district court for the Eastern District of Washington. The plaintiff alleged that certain provisions in the applicable franchise agreement between us and our franchisees violate federal and state anti-trust statutes as they allegedly restrict the ability of our franchisees or company-owned stores from soliciting or hiring the employees of other of our franchisees or company-owned stores. The complaint sought to certify a class of franchisee employees in the state of Washington and recover treble damages stemming from alleged underpayment of wages for current and former employees located in the state of Washington from July 12, 2014 to present. We denied that the provisions violate any law and filed a Motion to Dismiss the case. On or about April 1, 2019, the parties reached an agreement to settle the litigation with the following terms: (a) Defendants will pay Harris $5,000 and attorneys' fees in the aggregate amount of $20,000, (b) CJR has obtained amendments of the existing franchise agreements with Washington franchisees to remove non-solicitation/no-hire provisions, to the extent such provisions existed in the first place, and (c) CJR

agreed not to enforce the disputed provision in existing agreements with Washington franchisees. The Court granted the parties' stipulated motion to dismiss the case on April 23, 2019.

(3) Larry Rice v. By The Rio, LLC, Carl's Jr. Restaurants LLC, and DOES 1-10, (United States District Court, District of Colorado, Case No 1:19-cv-00129-STV, filed January 15, 2019).

On January 15, 2019, Larry Rice, a former employee of a Carl's Jr. franchisee, filed a lawsuit in the federal district court for the District of Colorado. The plaintiff alleged that certain provisions in the applicable franchise agreement between us and our franchisees violate federal and state anti-trust statutes as they allegedly restrict the ability of our franchisees or company-owned stores from soliciting or hiring the employees of other of our franchisees or company-owned stores. The complaint sought to certify a class of franchisee employees in the state of Colorado and recover treble damages stemming from alleged underpayment of wages for current and former employees located in the state of Colorado from July 12, 2014 to present. On or about April 1, 2019, the parties reached an agreement to settle the litigation with the following terms: (a) Defendants will pay Rice $2,500 and attorneys' fees in the aggregate amount of $7,500, (b) CJR will amend its franchise agreements with the Colorado franchisee named in the lawsuit to remove non-solicitation/no-hire provisions, and (c) CJR agreed not to enforce the disputed provision in existing agreements with Colorado franchisees. The Court granted the parties' stipulated motion to dismiss the case on April 23, 2019.

Disclosures Regarding Item 2 Individuals

The following pending action names one of our Item 2 individuals personally but relates to this individual's prior employment with a different franchisor and brand. This action does not have any impact on us or our brand nor does it allege any unlawful conduct by us.

(4) EYM Pizza of Georgia, LLC et al. v. Pizza Hut, LLC (United States District Court for the Northern District of Texas as Civil Action No. 3:24-cv-16770).

On July 1, 2024, plaintiffs EYM Pizza of Georgia, LLC, EYM Pizza of Illinois, LLC, EYM Pizza of SC, LLC, and EYM Pizza of Wisconsin, LLC (collectively, "EYM"), former franchisees of Pizza Hut LLC ("PHLLC") filed a second Petition and Emergency Application for Temporary and Permanent Injunctive Relief. In addition to filing suit against PHLLC, EYM also individually named PHLLC's Chief Legal Officer and PHLLC's former Director of Franchise Finance & Non-Traditional Development, Diane Simrall (Ms. Simrall currently serves as our Vice President, Finance). The claims alleged are tortious interference and conspiracy. EYM alleges that PHLLC personnel improperly spoke to potential buyers and disclosed confidential information. EYM also alleges that PHLLC personnel contacted EYM's lender causing business interruption and disclosure of trade secrets. PHLLC promptly removed the case to the United States District Court for the Northern District of Texas, Civil Action No. 3:24-cv-1677. On July 16, 2024, EYM filed a Motion for Temporary Restraining Order, which the Court denied on July 22, 2024. EYM filed for bankruptcy protection on July 22, 2024, in Case No. 24í41669-11 pending in the bankruptcy court in the Eastern District of Texas. The case is currently stayed through March 31, 2025, based on EYM's bankruptcy, at which time the parties will file a joint status report.

Disclosures Regarding Affiliated Programs – Pending Matters

(5) Paradigm Investment Group, LLC v. Hardee's Restaurants, LLC (United States District Court, Middle District of Tennessee Case No.: 3:25-cv-00419, filed April 15, 2025).

On April 14, 2025, Paradigm Investment Group, LLC ("Paradigm") filed an Application for Temporary Restraining Order to prevent HR from terminating its franchise agreements. On April 17, 2025,

HR and Paradigm filed a Joint Notice Regarding Plaintiff's Temporary Restraining Order Application notifying the court that there is no immediate need for a Temporary Restraining Order hearing. On April 17, 2025, the Court issued an Order stating that it will take no action on the pending Temporary Restraining Order Application until it receives an update from the parties.

On April 15, 2025, Paradigm also filed a Complaint against HR seeking declaratory relief and alleging breach of contract / anticipatory repudiation and injunctive relief relating to a Notice of Default and Termination HR issued to Paradigm as a result of Paradigm's breaches of its franchise agreements. On June 6, 2025, HR filed an Opposition to Paradigm's Application for Temporary Restraining Order and an Answer and Counterclaim seeking specific performance and a declaratory judgment. On July 14, 2025, Paradigm filed an Answer to HR's Counterclaim. On August 20, 2024, the Court denied Paradigm's Application for Temporary Restraining Order. HR maintains that Paradigm is in breach of its franchise agreements and it has the right to enforce the termination of Paradigm's franchise agreements. This matter remains pending.

(6) Hardee's Restaurants LLC v. Arbor Capital Partners, LLC, et al., Case No.: 2024 12342 CICI (Circuit Court of the Seventh Judicial Circuit for Volusia County, Florida Circuit Civil Division, filed July 12, 2024).

On July 12, 2024, HR commenced an action against Arbor Capital Partners LLC, Aihab Gerges, Edward Gerges and Gerges Gerges (collectively, "Arbor Capital"). On December 16, 2024, HR filed a First Amended Complaint seeking to recover damages from Arbor Capital for breach of a sublease, conversion and breach of personal guarantees. On December 17, 2024, Arbor Capital filed its Answer, Affirmative Defenses and Counterclaim. In its Counterclaim, Arbor Capital alleges fraudulent concealment, breach of franchise agreement and demand for accounting, conversion and demand for accounting, negligence and breach of implied covenant of good faith and fair dealing. On April 29, 2025, HR filed a Motion to Dismiss Arbor Capital's Counterclaim. On August 28, 2025, the court granted HR's Motion to Dismiss, dismissing Arbor Capital's Counterclaim.

On September 17, 2025, Arbor Capital filed its Amended Counterclaim. In its Amended Counterclaim, Arbor Capital alleges fraudulent concealment, breach of franchise agreement and demand for accounting, conversion, tortious interference with prospective business advantage, breach of implied covenant of good faith and fair dealing, unjust enrichment, and deceptive and unfair trade practices. On October 3, 2025, HR filed a Motion to Dismiss Arbor Capital's Amended Counterclaim. On November 16, 2025, the court granted in part and dismissed in part HR's Motion to Dismiss, dismissing Arbor Capital's claims relating to fraudulent concealment, conversion and demand for accounting, tortious interference with prospective business advantage, unjust enrichment, and deceptive and unfair trade practices.

At trial, the court dismissed Arbor Capital's claims with respect to breach of sublease, breach of the franchise agreement and breach of the implied covenant of good faith and fair dealing (relating to Arbor Capital's claim that HR misused advertising funds). Judgment in favor of Arbor Capital and against HR in the amount of $1,000 for breach of the franchise agreement and breach of the implied covenant of good faith and fair dealing (relating to Arbor Capital's POS claims) is pending.

(7) Hardee's Restaurants LLC v. Arbor Capital Partners, LLC, et al., Case No.: 3:25-cv-01135 (Middle District of Tennessee, filed October 1, 2025).

On October 1, 2025, HR commenced an action against Arbor Capital Partners LLC, Aihab Gerges, Edward Gerges and Gerges Gerges (collectively, "Arbor Capital") relating to Arbor Capital's monetary breaches of the Franchise Agreement and Sublease Agreement governing Arbor Capital's former operation

of a Hardee's franchised restaurant located in Ocoee, Florida. On December 3, 2025, Arbor Capital filed a motion for dismissal of Count II (breach of Sublease claim) citing lack of personal jurisdiction and improper venue and requesting a transfer of this action to the U.S. District Court, Middle District of Florida. HR maintains that Arbor Capital is in breach of its Franchise Agreement and Sublease Agreement. A hearing on Arbor Capital's motion is pending.

(8) Hardee's Restaurants LLC v. ARC Burger, LLC, et al., Case No.: 3:25-cv-01359 (Middle District of Tennessee, filed November 21, 2025).

On November 21, 2025, HR commenced an action against ARC Burger, LLC ("ARC Burger") relating to ARC Burger's monetary breaches of its Franchise Agreements, Lease and Sublease Agreements and Promissory Note with HR. On January 19, 2026, HR filed an Amended Complaint. On March 2, 2026, ARC Burger filed its Answer to First Amended Complaint and Counterclaim, alleging that HR breached the implied covenant of good faith and fair dealing. On April 7, 2026, HR filed its Answer to Counterclaim. On April 20, 2026, ARC Burger filed for Chapter 7 bankruptcy. This matter remains pending.

Disclosures Regarding Affiliated Programs – Concluded Matters

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

(9) The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019).

On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("**ARG**"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

(10) The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed on March 19, 2019.)

On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("**DBI**"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision

that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin's franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

(11) New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019).

In this matter, the N.Y. Attorney General ("**NYAG**") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under the consent order, DBI agreed to pay $650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

(12) In the Matter of Jimmy John's Franchisor SPV LLC (Securities Commissioner of Maryland, Case No. 2025-0122).

On March 28, 2022, JJF filed a Franchise Disclosure Document (FDD) with the Maryland Securities Division as part of a notice of exemption from franchise registration. In this filing, JJF listed the former franchisees but omitted the required contact information for the majority of those franchisees. The Maryland Securities Commissioner asserted that this omission violated the Maryland Franchise Registration and Disclosure Law, the Federal Trade Commission (FTC) Franchise Rule, and the North American Securities Administrators Association (NASAA) Guidelines, all of which require franchisors to provide contact information for former franchisees in their FDDs. JJF asserted that the omission was inadvertent and not material, but in order to avoid the time commitment and expense of administrative or judicial proceedings, the Maryland Securities Commissioner and JJF entered into a Consent Order on June 9, 2025. Under the terms of the Consent Order, JJF agreed to pay a $30,000 civil monetary penalty, to permanently cease and desist from the offer or sale of franchises in violation of the Maryland Franchise Law, and to disclose the existence of the Consent Order in future franchise disclosure documents.

* * *

Other than these twelve (12) actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Development Fee

If you enter into a Development Agreement, you must pay CJR a Development Fee of $10,000 for each Franchised Restaurant you agree to develop at the time you sign the Development Agreement. The Development Fee is not refundable. If you execute a Franchise Agreement for a new Franchised Restaurant pursuant to the Development Agreement, the $10,000 Development Fee associated with this new Franchised Restaurant will be credited against the Initial Franchise Fee for such Franchised Restaurant. If you enter into a Development Agreement, you will execute the form of Franchise Agreement in use at the time you enter into a lease or sublease for, or take fee title to, the real property upon which the Franchised Restaurant will be developed.

Initial Franchise Fee

The Initial Franchise Fee is $25,000, although the balance of the Initial Franchise Fee due to CJR is reduced to $15,000 for a Restaurant developed pursuant to the terms of a Development Agreement. You must pay CJR the Initial Franchise Fee, less any Development Fee already paid, when you execute the Franchise Agreement. The Initial Franchise Fee is fully earned by CJR when paid, and it is not refundable.

Training Fees

Additional FMTP Training

CJR's Global Learning and Development Team currently provides the FMTP training to you, your Operating Principal (if not previously trained), your General Manager and 6 other employees who you have hired as Shift Leaders at no additional cost to you, provided the training takes place within 2 years of your signing of the Franchise Agreement. We reserve, however, the right to modify or waive the training required based on an individual's or your experience. If CJR's Global Learning and Development Team has provided FMTP training to those individuals and you desire that additional employees attend the FMTP, they may do so, subject to space availability and your payment of a nonrefundable Training Fee. The Training Fee for each additional employee is $500 per person per week. You will be required to pay all travel, living and other expenses incurred by your employees while attending training. You will be billed for the applicable number of weeks attended if the person being trained fails to complete the required training.

All-Star Team Opening Training Support

You will receive opening assistance support from our All-Star Team (the "Opening Training Support Team") in connection with the opening of your first Franchised Restaurant (or your first two Franchised Restaurants if you are multi-restaurant developer). You must reimburse us for the salaries, administrative fees, meals, travel and lodging expenses of the Opening Training Support Team members while they are trainers at your Franchised Restaurant, which amounts you will be required to pay to us within the month following completion of the opening of the Franchised Restaurant (collectively such amounts, the "Opening Training Support Fee"). We estimate that the Opening Training Support Fees will range between $30,000 to $70,000. We will determine, in our sole discretion, the level of opening training support required for your Franchised Restaurant. We reserve the right, in our sole discretion, to modify the level of assistance provided by the Opening Training Support Team.

10-Day Operations Overview

We may require those individuals who will have a 10% or greater interest in the franchisee entity to attend and successfully complete the 10-Day Operations Overview. You may be required to pay a nonrefundable fee of up to $500 per person for this training program. You must pay all travel, living and other expenses incurred by your personnel while attending the 10-Day Operations Overview.

* * *

The preceding fees are uniform. CJR, in its sole discretion, may offer incentives to a specific franchisee under certain circumstances, which may include circumstances where a franchisee agrees to develop a significant number of Franchised Restaurants, a franchisee agrees to significantly accelerate his historical development patterns, a franchisee agrees to develop Franchised Restaurants in a new territory, or a franchisee proposes to develop unique sites. In those circumstances, among others as determined by us, CJR may, among other things, waive some or all of the initial fees, decrease the royalty fee for a period of time (as noted in Item 6), and/or extend the time for a franchisee to comply with its remodel obligations for some or all of its existing Franchised Restaurants. In 2026 we waived the Initial Franchise Fee in certain instances where a new franchisee was taking over operation of a Franchised Restaurant that was closed or otherwise may have closed.

ITEM 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty	4% of Gross Sales **(2)**	Within 10 calendar days after the end of each fiscal week	Gross Sales includes all revenue from the sale of all services and products and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited) related to the Franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit. For the avoidance of doubt, Gross Sales includes all ancillary charges or fees, including delivery fees and other service charges charged to the customer in connection with a transaction involving the Franchised Restaurant, including those paid directly or indirectly by a customer or by a third party delivery or catering service (e.g., Uber Eats, Grubhub or DoorDash) in connection with delivery or catering services related to the Franchised Restaurant; provided, however, that Gross Sales do not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority. For further clarity, Gross Sales shall be calculated based on the total amount charged to the customer for a transaction, before any commissions, fees, or other amounts are retained, deducted, or withheld by any third-party ordering, delivery, payment processing, or catering platform, regardless of whether such amounts are remitted to or received by Franchisee.

Type of Fee (1)	Amount	Due Date	Remarks
			Royalties (and other amounts due under the Franchise Agreement) are payable by electronic funds transfer/ACH debit. If you fail to timely report Gross Sales and/or pay amounts when due, we may debit your account based on our estimate of Gross Sales (which may be based on available sales data, including point-of-sale and third party platform reporting) and may require additional security or collection procedures as permitted by the Franchise Agreement.
Taxes	You must reimburse us for any taxes, fees or assessments imposed on us for acting as franchisor or licensing the Proprietary Marks.	Within 10 days of invoice, except if the invoice is associated with taxes tied to rent then due upon receipt of invoice	
Compliance with Federal, State or Local Laws	Subject to applicable law, you must reimburse us for any taxes, fees or assessments we incur in our role as franchisor of the Carl's Jr. brand or licensor of the Proprietary Marks that relate to your compliance with federal, state or local laws.	Within 10 days of invoice, except if the invoice is associated with taxes tied to rent then due upon receipt of invoice	
Advertising	An advertising and promotion obligation ("APO") in an amount set forth in your Franchise Agreement. The APO will be up to 7% of Gross Sales. Currently, the APO is 6% of Gross Sales **(3)**	Same as royalty	Advertising fees will be divided between a Production Fund and a Media Fund as described in Item 11. Failure to timely pay required advertising contributions may result in suspension or withholding of media placement and/or local market advertising expenditures attributable to your Restaurant or market until amounts are paid in full, as permitted by the Franchise Agreement.
Returned Payment Fee	$150 per rejected, returned, or failed payment.	Upon demand	This fee applies to any payment that is rejected, returned, or fails to process for any reason, including insufficient funds, stop payment orders, or invalid account information. Franchisee must also reimburse us for any third-party bank or payment processor fees incurred by us in excess of the $150 fee, to the extent permitted by applicable law.

Type of Fee (1)	Amount	Due Date	Remarks
			Repeated rejected or returned payments may constitute a default under the Franchise Agreement.
Interest	Interest on the amount owed from the date due until paid	When any payment is overdue	The interest rate is the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located, not to exceed 1.5% per fiscal period (or a portion of a fiscal period).
Secret Shopper, and Quality Assurance (QA) Programs	Currently, $211.00 per Restaurant	As incurred	You must participate in programs initiated to verify customer satisfaction and/or your compliance with all operational and other aspects of the System. (Currently, there is no charge for an initial QA audit; the cost of a second audit due to a deficiency or required reaudit is currently $211.00 per Restaurant which may be increased every year, although we do not anticipate the annual increase to exceed 30%.)
Operations Assessment (OA) Programs	Currently, $185.00 per Restaurant	As incurred	You must participate in operations assessment programs initiated to evaluate your compliance with System standards. There is currently no charge for an initial OA audit; however, if your Restaurant fails an OA audit, the cost of a follow-up reaudit is currently $185.00 per Restaurant. This fee may be increased from time to time to reflect our actual costs, to the extent permitted by applicable law, although we do not anticipate the annual increase to exceed 30%). We reserve the right to require multiple re-audits until compliance is achieved – with each re-audit subject to the $185.00 re-audit fee.
Additional Training Materials	Varies	As incurred	We have developed materials, such as audio visual aids, that you may purchase, at your option, for use in your Franchised Restaurant.
Star University Access Fee	Currently, $18.20 per Fiscal Period (currently a 4-week accounting period)	Within 21 days of receipt of invoice	This fee provides you access to Star University, a required training tool for your Franchised Restaurant; Star University Learning Management System (LMS) for the administration, tracking and reporting of learning programs. You will be required to sign the Star University License Agreement (the current form is attached as Appendix I in Exhibit D). The fee is paid to us but we pass this entire fee to a third-party vendor to help facilitate the training environment. We reserve the right to increase the fee in the future, although we do not anticipate any annual increase to exceed 30%.
Food and Safety Training Program	Varies	Prior to start of training	You and certain of your employees will be required from time to time to complete an online training program on food and safety topics. You also will be required to pay all employee compensation and other expenses incurred by you and your employees while participating in this training. This training includes, but is not limited to, training provided by

Type of Fee (1)	Amount	Due Date	Remarks
			us or by third parties for certification of food safety requirements.
Financial Audit and Inspection Costs	Deficiency in royalty fees and advertising contributions, plus interest	Within 10 days after receipt of the audit or inspection report	The interest rate is the same as the interest rate for late payments. If an inspection or audit is made necessary by your failure to furnish reports or supporting records, or to furnish such reports, records or information on a timely basis, or if there is an understatement of Gross Sales of greater than 2%, you also must pay the reasonable costs of the audit or inspection.
Transfer	$2,500 per restaurant transferred	Prior to consummation of transfer	There is no fee if you transfer to a corporation or limited liability company which you control. Unless otherwise expressly permitted by the applicable agreement, transfers are subject to CJR's prior written consent.
Indemnification	The losses and expenses incurred by CJR and our affiliates	As incurred	You must indemnify and hold CJR and its parents and affiliates harmless in all actions arising out of or resulting from your activities under the applicable agreement and your development and operation of the Franchised Restaurant, excluding our gross negligence or willful misconduct.
New Product and Supplier Testing	Reasonable cost of inspection and actual cost of testing; $1,500 fee for inspection must be paid as a deposit.	As incurred	If you propose to purchase any goods or materials (that you are not required to purchase from CJR, an affiliate of CJR or a designated supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval, or you must request that the supplier do so. We have the right to require, as a condition of our approval of the supplier, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the test.
Supply Chain Fee	We reserve the right to, directly or through our vendor and distribution partners, assess a per case fee or receive other consideration on certain products or services franchisees purchase from approved suppliers. Depending on the applicable product, supplier, service, equipment, or program, these	As incurred	We and/or our affiliates may collect this fee or receive other consideration from certain approved suppliers from which you may purchase products and services to offset expenses related to managing the supply chain. For clarity, any fees or consideration will be collected from suppliers, distributors or other third parties, and not assessed directly to franchisees. This fee or consideration may vary and is subject to change from time to time.

Type of Fee (1)	Amount	Due Date	Remarks
	amounts could range from $00.07 to $140.00 per product or service.		
Software Support Fee (Genius or PAR Brink) and CrunchTime	Currently, $118 per Franchised Restaurant per fiscal period (4 week accounting period) (for L/1 and L/2 Help Desk Support for PAR Brink or Genius & CrunchTime); in addition, $825 per Franchised Restaurant bi-annually (every 26 week accounting period) for back office support fee payable to CrunchTime. Additionally, there is an optional BizIQ cost, per user: Power User $3,800, Analyst $1,800, and Consumer $600. If you use Brink, you must also pay the Brink Hosting Fee of $6.50 per fiscal period (4 week accounting period) plus the CrunchTime hosting fee of $1.50 per fiscal period. If you don't use Brink, but use CrunchTime for back office, the CrunchTime Hosting Fee of $1.50 only will be charged per fiscal period.	As incurred	$118 of this amount is paid to our affiliate, CKR, and the amount or related fees are subject to change, although we do not anticipate any annual increase to exceed 30% unless new technology components are added. The Software Support Fee is applicable only if you choose to use either Genius or PAR Brink alongside CrunchTime service (described in Item 11). Unless you are opening a new franchised restaurant, you are not required to use this software. If you are opening a new franchised restaurant, you must use Genius alongside CrunchTime. If you use PAR Brink you are also required to use CrunchTime for back office support and pay to Crunchtime $825 per Franchised Restaurant bi-annually (every 26 week accounting period) for back office support fee. PAR Brink and Genius and CrunchTime require the payment of additional license fees as explained in Item 11. The breakdown of this support fee is: RTSC Help Desk – Cognizant - $55 RTSC Help Desk – Network/Telco $25 RTSC Help Desk – Kaseya/Ninja - $14 Black Hills InfoSec (BHIS) - $13 RTSC Help Desk – Service Now - $8 Sentinel 1 - $3 The BizIQ cost is billed annually by BizIQ and paid directly to BizIQ. The Software Support, CrunchTime, and Brink Hosting Fees are billed by us and paid to our affiliate, CKR, to reimburse CKR for these hosting fees billed to CKR by CrunchTime and Brink.

Type of Fee (1)	Amount	Due Date	Remarks
CrunchTime Training Fee	Currently, one-time fee of $1,250 per franchisee.	At the time the Software Support Agreement is signed	This amount is currently paid to our affiliate, CKR, and is subject to change, although we do not anticipate any annual increase to exceed 30% unless new technology components are added. This CrunchTime Training Fee is applicable only if you choose to use the CrunchTime service (described in Item 11). You are not required to use the CrunchTime software if you use Genius. If you use PAR Brink you are also required to use CrunchTime for back office support. PAR Brink and CrunchTime require the payment of additional license fees as explained in Item 11. There is no training fee associated with Genius.
Digital Tech Fee	Currently, $160 per fiscal period (4 week accounting period)	Billed each fiscal period and due upon invoicing	You must participate in our online ordering/ delivery and loyalty programs we may from time to time establish and use the related software and technology that we may from time to time specify. Currently, the Digital Tech Fee will provide you with access to the following software and technology: OLO, Data Menu Management, Data Management (customer data processing) and Future (enterprise data management and content management system). You must execute the OLO Authorized Operator Agreement (the current form is attached as Exhibit G-2) and we may require you to execute other related software agreements in the future. The Digital Tech Fee may also be used to offset and/or recoup costs, fees and expenses (including employee overhead) we have incurred related to building and managing the digital initiatives and platforms. We may change the required software/technology from time to time. We may increase or modify this fee upon prior notice to you, although we do not anticipate any annual increase to exceed 30% unless new technology components are added.
	Effective August 11, 2026: a variable fee equal to 3% of Gross Sales generated through First Party Digital Channels will apply, subject to the following monthly minimums and maximums: ▪ **Year 1:** $160 minimum / $600 maximum		Effective August 11, 2026, we will shift from a fixed to a variable Digital Tech Fee. Such fee will be 3% of the Gross Sales generated through the online and mobile ordering platforms, applications, websites, and related digital technologies that are owned, controlled, or developed by us (or its affiliates) for use in connection with the Carl's Jr. brand ("First Party Digital Channels"). For purposes of calculating the variable fee: (a) Gross Sales will be net of discounts applied through First Party Digital Channels and will exclude one-third of loyalty receipt scan transactions; and (b) the applicable minimum and maximum monthly

Type of Fee (1)	Amount	Due Date	Remarks
	▪ **Year 2:** $160 minimum / $700 maximum ▪ **Year 3:** $160 minimum / $800 maximum		fee amounts described above will apply during each of the first three years following implementation of the variable fee. We will re-evaluate the Digital Tech Fee structure (including minimums and maximums) after the initial three-year period or when digital sales reach 30% of total system-wide sales for two consecutive quarters, whichever occurs first. We may increase or modify this fee upon prior notice to you, although we do not anticipate any annual increase to exceed 30% unless additional technology components or services are added.
Costs and Attorneys' Fees	CJR's costs and expenses	As incurred	If we prevail in litigation regarding enforcement of the terms of any agreement with you, you must pay our attorneys' fees and costs.
Carl's Jr. Renewal Fee	$5,000 for a renewal term of 5 years or $10,000 for a renewal term of 10 years	At the time the new franchise agreement is signed	We reserve the right to prorate the Renewal Fee to align with a renewal term with a corresponding lease expiration date.
Liquidated Damages	As calculated (see Remarks)	As incurred	If the Franchise Agreement is terminated following your default, since it would be difficult, if not impossible, to determine the amount of damages that we will suffer as a result of your breach, unless waived by us in our sole discretion, you must immediately pay us, as damages and not as a penalty, the amount of the royalty fee that you would have paid during the period ("Damages Period") from the effective date of termination to the earlier of: **(a)** the 3-year anniversary of the effective date of termination; or **(b)** the date on which the initial term of the Franchise Agreement was scheduled to expire. The amount of such royalty fee during the Damages Period will be calculated by multiplying the average weekly royalty fee that you owed for the 52-week period prior to the effective date of termination by the number of weeks in the Damages Period.
Collection Costs and Expenses	CJR's costs and expenses	On demand, if required	These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Restaurant, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
Relocation	CJR's reasonable expenses, not estimated to exceed $5,000	On demand, if required	You may not relocate the Franchised Restaurant without CJR's prior written consent, which may be withheld by CJR in its sole discretion. If we approve a relocation of your Franchised Restaurant, we have the right to charge you for all reasonable

Type of Fee (1)	Amount	Due Date	Remarks
			expenses actually incurred in connection with consideration of the request.
Reimbursement of Insurance Costs	Cost of obtaining coverage	Immediately upon receipt of invoice	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you. We collect the cost of the insurance coverage for the insurance company with which we place the coverage.
Lease / Sublease Administration Fee	Currently, $2,500 per year	As incurred	We or our affiliate reserve the right to charge you, on a prorated monthly basis, an Administrative Fee in connection with any lease or sublease renewal or extension (including the exercise of any lease option terms) or any amendment or modification to any lease or sublease between us (or our affiliates) and you (or your affiliates). We may increase or modify this fee upon prior notice to you, although we do not anticipate any annual increase to exceed 30%. A template version of the Sublease is attached as Exhibit N.
Reimbursement of Fees under Lease or Sublease	Actual amount incurred	As incurred	You must reimburse us for any actual out-of-pocket costs, expenses and fees we or our affiliates incur (including any attorney or accountant fees) in connection with any lease or sublease between us (or our affiliates) and you (or your affiliates) for certain premises. Without limiting the foregoing, this includes all costs and expenses we incur to repair and maintain the premises, to remove property from the premises, as a result of your failure to surrender the premises as required by the terms of the lease or sublease, or as a result of your default of the lease or sublease. A template version of the Sublease is attached as Exhibit N.

NOTES

(1) Unless otherwise noted, all fees are imposed by and payable to us, are non-refundable and are uniformly imposed on our franchisees who receive this disclosure document.

(2) On occasion, we may consider reducing the royalty fee to fit a particular concern, taking into account a variety of factors, including, but not limited to, where a franchisee agrees to develop a significant number of Franchised Restaurants, a franchisee agrees to significantly accelerate his historical development patterns, a franchisee agrees to develop Franchised Restaurants in a new territory, or a franchisee proposes to develop unique sites. If we agree to a reduction in the royalty fee, the reduction likely would be between 1% and 4% of the Gross Sales of the Franchised Restaurant for up to the first 3 years of operation of the Franchised Restaurant.

Under the CJR 2026 Development Incentive Program Addendum described in Item 1, with respect to Gross Sales accruing during the applicable Franchised Restaurant's first year of operation under the Franchise Agreement, for Franchised Restaurants that open on or ahead of schedule pursuant to an executed Franchise Agreement, we will reduce each of the royalty fee and APO by (i) 3% of Gross Sales accruing during the Restaurant's first year of operation; (ii) 2% of Gross Sales accruing

during the Restaurant's second year of operation; and (iii) 1% of Gross Sales accruing during the Restaurant's third year of operation. After the third year of operation, the royalty fee reverts back to 4% of Gross Sales and the APO fee reverts back to 6.0% of Gross Sales. If you or any of your affiliates receives, during the first two years of operation of the Franchised Restaurant under the Franchise Agreement, a written notice of default under any agreement between you or any of your affiliates and CJR or any affiliate of CJR and fails to cure the default within the applicable cure period, the Addendum will be terminated and the royalty fee and APO for the Franchised Restaurant will immediately revert to the applicable amounts set forth in the Franchise Agreement.

(3) We have the right, following written notice to you, to reallocate your advertising contributions and to increase your advertising contributions, but not by more than ½% of Gross Sales in any 12-month period, up to 7.0% of Gross Sales. In addition, we may, in our sole discretion, temporarily or permanently adjust the advertising contribution for certain locations or markets due to unique or unusual circumstances.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT TO DEVELOP A FRANCHISED RESTAURANT
Traditional Format (1)

Type of Expenditure: Current Prototype	Low Amount	High Amount	Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Fees to CJR:					
Initial Franchise Fee **(3)**	$25,000	$25,000	Lump sum	See Item 5	CJR
Opening Training Support Team Fee **(3)**	$30,000	$74,000	As incurred	See Item 5	Vendors, CJR
Total Fees to CJR	**$55,000**	**$99,000**			
Build-Out Costs:					
Real Property **(4)**	Variable	Variable			
Building **(5)**	$800,500	$1,200,000	Progress payments	As arranged	Contractor
Site Improvements **(6)**	$150,000	$650,000	Progress Payments	As arranged	Contractor
Soft Costs **(7)**	$75,000	$250,000	As arranged	As required	Architect, City/County Utilities, etc.
Equipment **(8)**	$455,000	$655,000	As arranged	As incurred	Vendors
Signage **(9)**	$70,000	$104,500	As arranged	As incurred	Vendors
Point of Sale System **(8)**	$75,500	$110,200	As arranged	As incurred	Vendors, CJR
Total Build-Out Costs	**$1,626,500**	**$2,969,700**			
Preliminary Operating Expenses:					

Type of Expenditure: Current Prototype	Low Amount	High Amount	Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Initial Training **(10)**	$20,000	$60,000	As arranged	As incurred	Third parties
Pre-Opening Costs **(11)**	$10,000	$25,000	As arranged	As incurred	Vendors
Additional Funds - 3 months **(12)**	$160,000	$250,000	As arranged	As incurred	Vendors, CJR
Total Preliminary Operating Expenses	**$190,000**	**$335,000**			
TOTAL ESTIMATED INITIAL INVESTMENT FOR A CARL'S JR. RESTAURANT (13)	**$ 1,816,500**	**$3,304,700**			

NOTES

(1) The table above reflects a low-high range of costs for each of the major costs categories of the initial investment for a new Franchised Restaurant located in a freestanding building that is approximately 3,200 square feet with a drive thru and full menu kitchen. The ranges listed are our best information to date but may vary depending on changes in market conditions, including availability of building materials, and the geographic area in which the Franchised Restaurant will be located.

(2) Costs paid to CJR are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Franchised Restaurant is located.

(3) For your first 2 Franchised Restaurants, you are required to have an All-Star Team, a certified training team, participate in the pre-opening and post-opening of the Franchised Restaurants. You will be responsible to pay us the Opening Training Support Fee, which will reimburse us for the All-Star Team's trainers' salaries, administrative fees, travel, lodging and meal expenses for the time they teach and train at your Franchised Restaurants, which is usually four days before opening and a minimum of seven days after opening, for a total of up to two weeks. The amount of the Initial Franchise Fee and Opening Training Support Fee and the manner in which those fees are paid are explained in detail in Item 5.

(4) We expect that you will buy or lease unimproved property and construct the Franchised Restaurant. Typically, 32,000 to 44,000 square feet of land is needed for the Franchised Restaurant and adjacent parking facilities. Local building codes may require that the Franchised Restaurant be placed on a larger lot. The cost of commercial land, whether you lease or buy, may vary considerably depending upon the location and conditions affecting the market for commercial property. The purchase of unimproved property of the size required may range from $450,000 to $1,800,000 or more. The rent for unimproved property may range from $4,000 to $15,000 or more per month or approximately 10% per year of the fair market or agreed upon land value. You may be required to pay the first and last months' lease payment upon signing your lease agreement.

Lease payments made by you to third party lessors may vary greatly depending on the property size, type of transaction and location. Lease agreements for the land may include the following

expenses: taxes, insurance, maintenance, fixed rent (with escalations), percentage rent and other charges related to the operation of the Franchised Restaurant.

(5) These figures are for a free-standing building and do include site preparation for the building only. HVAC installation only is included in the building cost. These figures do not include the extra cost for the addition of a cash window in conjunction with a single or double drive through lane which would add from $65,000 to $115,000 in costs.

(6) Site improvement costs include all required work to provide fill and compaction, curb cuts, parking lot curbs and gutters, sidewalks, drive thru lanes, landscaping and irrigation, site electrical and lighting, grease interceptor and utility runs. See Note 7 with respect to off-site costs.

(7) You should check with the relevant regulatory agencies to identify costs for required building permits, impact fees, taxes, bonds, licenses and other fees, which can vary dramatically depending on the location. There may also be off site costs, such as intersection improvements or street widening that where required have a major impact on costs.

(8) You must purchase certain items of furniture, fixtures, equipment, including point of sale system, and smallwares. You may be able to lease from or finance through a third party a portion of these purchases, but you should expect to make a down-payment of up to 25%. The high end of these figures also includes the cost to install a catalytic converter for the charbroiler. If required, the cost of the catalytic converter is currently estimated $1,500 to $5,000 depending on the vendor, installation requirements, and applicable regulations.

(9) The type of signage installed is governed by local ordinances regarding height and size restrictions. The typical sign package includes exterior building signs and a twenty-five foot tall pole or monument sign. A typical unit with a drive-thru has 2-4 illuminated directional signs.

(10) In addition to any Training Fees (*see* Item 5), you must pay the costs of transportation, lodging and food for yourself and your employees during training. The amount of these expenses will depend on the distance you must travel, type of accommodations, the number of your employees attending training and their wages.

(11) These costs include uniforms, office supplies and other prepaid expenses. This range also includes $14,000 to $16,000 for the initial inventory of food and paper for a Carl's Jr. Restaurant. These costs do not include utility deposits, installation of telephones, business licenses or cleaning supplies, which are not substantial.

As described in Item 11, CJR will reimburse you up to $5,000 for grand opening advertising expenditures that you make during the period from 30 days before the Franchised Restaurant opens until 90 days after opening. Those expenditures must be pre-approved by CJR and comply with the requirements in the Franchise Agreement for local advertising, and you must provide written proof to CJR of the advertising and the cost for that advertising no later than 120 days after the Franchised Restaurant opens.

(12) These figures are an estimate of your operating expenses for the initial 3 months of business. They include payroll, taxes, insurance, food, paper, supplies, utilities, licenses and permits, bank charges and repair and maintenance expenses. They do not include advertising or royalty payments made to us. These figures are estimates, and CJR cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: the size of your Franchised Restaurant; how closely you follow CJR's methods and procedures; your management

skill, experience and business acumen; financing costs; local economic conditions; the local market for restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.

(13) You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer any direct financing for any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT TO DEVELOP A NEW FRANCHISED RESTAURANT
New Format (1)

Type of Expenditure	Low Amount	High Amount	Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Fees to CJR:					
Initial Franchise Fee **(3)**	$25,000	$25,000	Lump sum	See Item 5	CJR
Opening Training Support Team Fee **(3)**	$30,000	$74,000	As incurred	See Item 5	Vendors, CJR
Total Fees to CJR	**$55,000**	**$99,000**			
Build-Out Costs:					
Real Property **(4)**	Variable	Variable			
Building **(5)**	$577,500	$808,935	Progress payments	As arranged	Contractor
Site Improvements **(6)**	$110,000	$605,000	Progress Payments	As arranged	Contractor
Soft Costs **(7)**	$55,000	$236,500	As arranged	As required	Architect, City/County Utilities, etc.
Equipment **(8)**	$385,000	$594,000	As arranged	As incurred	Vendors
Signage **(9)**	$55,000	$104,500	As arranged	As incurred	Vendors
Point of Sale System **(8)**	$60,500	$79,200	As arranged	As incurred	Vendors, CJR
Total Build-Out Costs	**$1,243,000**	**$2,428,135**			
Preliminary Operating Expenses:					
Initial Training **(10)**	$20,000	$60,000	As arranged	As incurred	Third parties
Pre-Opening Costs **(11)**	$10,000	$25,000	As arranged	As incurred	Vendors
Additional Funds - 3 months **(12)**	$160,000	$250,000	As arranged	As incurred	Vendors, CJR
Total Preliminary Operating Expenses	**$188,000**	**$333,000**			
TOTAL ESTIMATED INITIAL INVESTMENT FOR A CARL'S JR. RESTAURANT (13)	**$1,488,000**	**$2,862,135**			

NOTES

(1) The table above reflects a low-high range of costs for each of the major costs categories of the initial investment for a new Franchised Restaurant located in a freestanding building that is approximately 2,200 square feet with a drive thru and full menu kitchen. The ranges listed are our best information to date but may vary depending on changes in market conditions, including availability of building materials, and the geographic area in which the Franchised Restaurant will be located.

(2) Costs paid to CJR are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Franchised Restaurant is located.

(3) For your first 2 Franchised Restaurants, you are required to have an All-Star Team, a certified training team, participate in the pre-opening and post-opening of the Franchised Restaurants. You will be responsible to pay us the Opening Training Support Fee, which will reimburse us for the All-Star Team's trainers' salaries, administrative fees, travel, lodging and meal expenses for the time they teach and train at your Franchised Restaurants, which is usually four days before opening and a minimum of seven days after opening, for a total of up to two weeks. The amount of the Initial Franchise Fee and Opening Training Support Fee and the manner in which those fees are paid are explained in detail in Item 5.

(4) We expect that you will buy or lease unimproved property and construct the Franchised Restaurant. Typically, 22,000 to 44,000 square feet of land is needed for the Franchised Restaurant and adjacent parking facilities. Local building codes may require that the Franchised Restaurant be placed on a larger lot. The cost of commercial land, whether you lease or buy, may vary considerably depending upon the location and conditions affecting the market for commercial property. The purchase of unimproved property of the size required may range from $450,000 to $1,800,000 or more. The rent for unimproved property may range from $4,000 to $15,000 or more per month or approximately 10% per year of the fair market or agreed upon land value. You may be required to pay the first and last months' lease payment upon signing your lease agreement.

Lease payments made by you to third party lessors may vary greatly depending on the property size, type of transaction and location. Lease agreements for the land may include the following expenses: taxes, insurance, maintenance, fixed rent (with escalations), percentage rent and other charges related to the operation of the Franchised Restaurant.

(5) These figures are for a free-standing building and do include site preparation for the building only. HVAC installation only is included in the building cost. These figures do not include the extra cost for the addition of a cash window in conjunction with a single or double drive through lane which would add from $65,000 to $115,000 in costs.

(6) Site improvement costs include all required work to provide fill and compaction, curb cuts, parking lot curbs and gutters, sidewalks, drive thru lanes, landscaping and irrigation, site electrical and lighting, grease interceptor and utility runs. See Note 7 with respect to off-site costs.

(7) You should check with the relevant regulatory agencies to identify costs for required building permits, impact fees, taxes, bonds, licenses and other fees, which can vary dramatically depending on the location. There may also be off site costs, such as intersection improvements or street widening that where required have a major impact on costs.

(8) You must purchase certain items of furniture, fixtures, equipment, including point of sale system, and smallwares. You may be able to lease from or finance through a third party a portion of these purchases, but you should expect to make a down-payment of up to 25%. The high end of these figures also includes the cost to install a catalytic converter for the charbroiler. If required, the cost of the catalytic converter is currently estimated at $1,500 to $5,000 depending on the vendor, installation requirements, and applicable regulations.

(9) The type of signage installed is governed by local ordinances regarding height and size restrictions. The typical sign package includes exterior building signs and a twenty-five foot tall pole or monument sign. A typical unit with a drive-thru has 2-4 illuminated directional signs.

(10) In addition to any Training Fees (*see* Item 5), you must pay the costs of transportation, lodging and food for yourself and your employees during training. The amount of these expenses will depend on the distance you must travel, type of accommodations, the number of your employees attending training and their wages.

(11) These costs include uniforms, office supplies and other prepaid expenses. This range also includes $14,000 to $16,000 for the initial inventory of food and paper for a Carl's Jr. Restaurant. These costs do not include utility deposits, installation of telephones, business licenses or cleaning supplies, which are not substantial.

As described in Item 11, CJR will reimburse you up to $5,000 for grand opening advertising expenditures that you make during the period from 30 days before the Franchised Restaurant opens until 90 days after opening. Those expenditures must be pre-approved by CJR and comply with the requirements in the Franchise Agreement for local advertising, and you must provide written proof to CJR of the advertising and the cost for that advertising no later than 120 days after the Franchised Restaurant opens.

(12) These figures are an estimate of your operating expenses for the initial 3 months of business. They include payroll, taxes, insurance, food, paper, supplies, utilities, licenses and permits, bank charges and repair and maintenance expenses. They do not include advertising or royalty payments made to us. These figures are estimates, and CJR cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: the size of your Franchised Restaurant; how closely you follow CJR's methods and procedures; your management skill, experience and business acumen; financing costs; local economic conditions; the local market for restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.

(13) You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer any direct financing for any part of the initial investment.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Where we have issued standards and specifications, you must use only ingredients, food products, spices, seasonings, mixes, beverages, materials, supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products and packaging, cleaning supplies, and other materials that meet our standards and specifications as contained in the Operation Procedures Manual ("OPM"). A list of approved suppliers is available upon written request addressed to our Quality Assurance Department. Most food items and other goods that you are required to purchase will be purchased from a master distributor. The master distributor will carry items such as meats, cheese, grocery, bread products,

paper and cleaning supplies. As of the date of this disclosure document, our master distributor is Distribution Market Advantage ("DMA"). We reserve the right to change the master distributors. Other master distributors may be approved from time to time.

Certain of CJR's products, including our "special sauce," are confidential secret recipes and are considered trade secrets. For those CJR products, in order to control and maintain the quality and consistency of these products, you must use only our secret recipe products and purchase them from us, our affiliate or a source designated by us. For the fiscal year ended January 26, 2026, neither our affiliates nor us received any revenue from the sale of these products to our franchisees

We may approve one or more suppliers or distributors for any products, equipment (including computer/cash register system as noted below), goods or materials, and we may approve a supplier or distributor only as to certain goods or materials. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Carl's Jr. Restaurants or any other group of restaurants operated or franchised by CJR or our affiliates. Although you are not required to lease a location from us or an affiliate, we must consent to your selection of the site for your Carl's Jr. Restaurant. If you lease the Restaurant premises from a third party landlord, you must sign the Franchise Lease Addendum attached as Appendix G to the Franchise Agreement.

Approval of a supplier or a distributor may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, sanitation standards, facility standards, insurance and other quality assurance requirements or other criteria, and concentration of purchases, as set forth above, and such approval may be temporary pending a further evaluation of the supplier by us. A fee not to exceed our actual costs of reviewing the supplier or distributor and auditing the facility, if needed, may be charged by us and must be paid by you. We may establish commissaries and distribution facilities owned and operated by us or an affiliate that we will designate as an approved supplier.

One or more of our officers may own nominal interests in certain of our approved suppliers which are publicly traded companies or through investment funds.

We and our affiliates may receive fees, payments, commissions, field-of-use license royalties or other consideration from approved suppliers based on sales to franchisees, from promotional allowances and volume discounts. We and our affiliates may use all amounts received from approved suppliers, distributors or third parties, whether or not based on your and/or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. Finally, we and our affiliates provide supply chain, quality assurance, distribution and logistics services for the franchise system. These services include negotiating with suppliers and distributors who will sell and distribute goods to our franchisees, designating one or more distributors to service our franchisees, and managing distribution logistics. As a result, we and our affiliates reserve the right to recover our costs, fees and expenses (including, but not limited to, employee overhead) related to performing these services by collecting a per-case distribution fee for all cases sold by an approved supplier to our franchisees and from other logistics-related programs or receiving other consideration from approved suppliers.

We may charge non-approved suppliers reasonable testing and/or inspection fees.

If you propose to purchase any goods or materials (that you are not required to purchase from CJR, an affiliate of CJR or a designated supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval, or you must request that the supplier do so. We have the right to require, as a condition of approval, that our representatives be permitted to inspect the supplier's facilities and that such information, specifications and samples as we reasonably designate be delivered to

us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. You must pay a fee not to exceed the reasonable cost of the inspection and the actual cost of the test. In addition to product testing, a facility audit may be required. We will notify you within 60 days as to whether you are authorized to purchase such products from that supplier. In the event we tentatively approve a request for an alternative supplier, you must submit a check for $1,500 to us as a deposit against the cost we incur in inspecting the supplier's facility. You will be responsible for additional costs and expenses associated with the inspection of the facility, which must occur before final approval. Approval of a supplier also may be subject to the frequency of delivery, reporting capabilities, standards of service (including prompt attention to complaints) or other criteria (including the number of suppliers already approved) and may be temporary pending further evaluation of such supplier. We may periodically require that the testing and/or facility audit be performed again at your expense to ensure continued compliance with our specifications and facility standards. We will advise you in writing if we revoke any approvals.

You must obtain and install data processing equipment, computer hardware, required dedicated telephone and power lines, high speed Internet connections, modems, printers and other computer related accessory or peripheral equipment as we may specify in the OPM or otherwise in writing ("Computer/POS System"), as further explained in Item 11. Current approved vendors for technology components of the Computer/POS System are Genius POS, PAR Tech, Inc, CrunchTime, QSR Automations, Xenial Xpient (5.0 higher) and Meraki. Currently, you must use Genius POS software, PAR Brink POS software or the Xenial Xpient (5.0 or higher) POS software in operating your Franchised Restaurant. All new Franchised Restaurants will be required to use Genius POS for the Computer/POS System, and existing Franchised Restaurants will be required to transition to Genius POS by June 30, 2028. CrunchTime back-office software is optional, but required if you would like system software support with signature of Exhibit G-1. You must utilize any proprietary software program, system documentation manuals and other proprietary materials provided by us in connection with the operation of the Franchised Restaurant. When we provide proprietary software, we may require that you execute one or more standard form software license or similar agreements and input and maintain in your computer the software programs, data and information as we prescribe. You must purchase from us, at prices and upon terms that we determine, the proprietary software programs, manuals and/or computer-related materials whenever we decide to use new or upgraded programs, manuals and/or materials throughout the Carl's Jr. System. Except as described in Items 6 and 11 with respect to the Digital Tech Fee, Star University Access Fee and Software Support Fee, there are currently no payments to be made to us in connection with these items. You must comply with the Payment Card Industry Data Security Standard ("PCI-DSS") at all times and engage any vendor that we may designate to ensure the security of your data and compliance with PCI-DSS. You must maintain continuous PCI compliance and must attest this to us annually by providing us with a completed and signed PCI Attestation of Compliance.

You must also participate in any online ordering/delivery and loyalty programs that we may establish from time to time with approved vendors and you must comply with the rules and participation criteria applicable to these programs, including our loyalty program. We have currently designated OLO as the sole software platform provider for our online ordering program, Punchh as the sole software platform for our loyalty program, and have partnered with designated service providers for our delivery program. Under our online ordering/delivery programs, we require you to accept and process specific customer delivery orders and we require you to use all approved third-party delivery service providers, currently Uber Eats, Door Dash, and GrubHub if those delivery service providers operate in your restaurant's serviceable area. We must pre-approve all delivery service providers not already designated as approved under our delivery program. In addition, we must pre-approve all sales recording processes that originate from the delivery service providers. We have the right to modify the participation criteria or discontinue these initiates at any time upon written notice to you. See also Item 11.

We negotiate system-wide contracts with a number of suppliers under which Carl's Jr. Restaurants may purchase products at a negotiated price and terms. Franchisees are entitled to purchase products at the price and terms negotiated by us; however, we reserve the right to limit the number of suppliers who deliver the products at those prices and terms. With respect to equipment, smallwares and supplies, you must purchase the equipment, smallwares and supplies from suppliers that we designate or approve. We may designate preferred suppliers for particular products, including from our third-party vendor Wasserstrom Holdings, Inc. and its subsidiaries, and franchisees may be required to purchase certain products from those preferred suppliers in order to be eligible for negotiated pricing or to participate in system programs, such as certain revenue sharing incentives. We may approve additional suppliers from time to time, including approvals that apply only to specific products, programs, or time periods. There currently are no purchasing or distribution cooperatives. We do not provide material benefits to a franchisee based on the franchisee's purchase of particular products or services or the use of particular suppliers.

Approximately 90% of your purchases or leases of fixtures, furnishings, equipment, décor, signs, food items, ingredients, supplies and other products in connection with the establishment of the Franchised Restaurant must be purchased in accordance with our specifications or from approved suppliers. We estimate that these items represent approximately 65% of your controllable purchases, excluding labor and general administrative costs in connection with the ongoing operation of the Franchised Restaurant. We do not provide material benefits (e.g., renewal or additional franchises) to you based on use of designated or approved suppliers.

Occasionally, during major promotions, suppliers will sell items to us at a discount. At our discretion, we will either pass the savings directly to you or contribute any amounts collected in excess of the discount to an advertising fund (*see* Item 11). Currently, certain of our soft drink suppliers offer rebates to both you and us based on volume purchases.

During our fiscal year ended January 26, 2026, we received rebates from the following suppliers: KDM ($35,840); Dr. Pepper ($329,580); and Coca-Cola ($2,011,555). The funds contributed were used primarily to offset the cost of point of purchases associated with promoting Carl's Jr. products and other production advertising costs. Additionally, during our fiscal year ended January 26, 2026, we and our affiliates' received revenue in the amount of $83,497,458.40 from the sale or lease of products or services to Carl's Jr. franchisees, which represented approximately 12.5% of the total revenue of the Securitization Entities of approximately $668,617,000. In most instances, we or our affiliates simply pass through theses franchisee payments to the designated vendor, supplier or landlord. Finally, during our fiscal year ended January 26, 2026, certain designated suppliers made payments to us ranging from $0.07 to $138.27 per product or service, as applicable.

You must, at your sole expense, maintain in full force and effect throughout the term of each agreement that insurance that you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by us. (Franchise Agreement, § 17; Development Agreement, § 7.). We may regulate the types, amounts, terms and conditions of insurance coverage required for the Franchised Restaurant, and standards for underwriters of policies providing required insurance coverage. You will receive written notice of these modifications, and you must take prompt action to comply. We, and any entity with an insurable interest designated by us, shall be an additional insured in such liability policies, except for workers' compensation/employer's liability, and loss payee for property to the extent each has an insurable interest. All insurance policies must be written by an insurance company (or companies) satisfactory to us in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to you in writing.

These required insurance policies include, at a minimum, the following: (1) Commercial General Liability insurance with policy limits not less than $5,000,000 per occurrence and in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product liability and completed operations, not to exclude food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000; (2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy; (3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the Franchised Restaurant is operated. This coverage shall also be in effect for all of Franchisee's employees who participate in any of the training programs described in the Franchise Agreement; The required limits in (1) – (3) above may be satisfied through a combination of Primary and Umbrella/Excess Liability coverage. If satisfied through an Umbrella/Excess Liability coverage, the Umbrella/Excess Liability must be "following form" of the underlying Commercial General Liability, Automobile Liability and Employer's Liability coverages; (4) Commercial Property insurance that extends coverage on a replacement cost basis for the Franchised Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V". Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories "E" or "D"; (5) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence; and (6) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the Franchised Restaurant, your general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder's Risk with limits no less than $1,000,000, with CJR named as an additional insured, as well as Workers' Compensation and Employer's Liability as required by state law.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise and Development 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 Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
a.	Site selection and acquisition/lease	FA: Section 3 DA: Sections 3-5	Items 7 & 11
b.	Pre-opening purchases/leases	FA: Sections 3-5 DA: Section 3-6	Items 7 & 8
c.	Site development and other pre-opening requirements	FA: Sections 3 - 7 DA: Sections 3 & 5-6	Items 6, 7 & 11
d.	Initial and ongoing training	FA: Section 11 DA: Section 5	Items 5, 6, 7 & 11
e.	Opening	FA: Section 5 DA: Not Applicable	Item 11

Obligation		Section in Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
f.	Fees	FA: Sections 3, 5, 8 & Appendix A-C DA: Section 4	Items 5 & 6
g.	Compliance with standards and policies/Operating Manual	FA: Sections 6, 7 & 10 DA: Section 6	Items 8 & 11
h.	Trademarks and proprietary information	FA: Section 11 DA: Not Applicable	Items 13 & 14
i.	Restrictions on products/services offered	FA: Section 10 DA: Not Applicable	Item 16
j.	Warranty and customer service requirements	FA: Section 13 DA: Not Applicable	Item 11
k.	Territorial development and sales quotas	FA: Not Applicable DA: Sections 1-3 & Appendix A-B	Item 12
l.	Ongoing product/service purchases	FA: Section 10.B. DA: Not Applicable	Item 8
m.	Maintenance, appearance and remodeling requirements	FA: Sections 2, 7 & 10 DA: Not Applicable	Item 11
n.	Insurance	FA: Section 12 DA: Section 7	Items 6 & 7
o.	Advertising	FA: Section 5 & Appendix C DA: Not Applicable	Items 6 & 11
p.	Indemnification	FA: Section 22 DA: Section 16	Item 6
q.	Owner's participation/ management/staffing	FA: Sections 10 & 13 DA: Section 8	Items 11 & 15
r.	Records and reports	FA: Section 4 DA: Not Applicable	Item 6
s.	Inspections and audits	FA: Sections 4 & 9 DA: Not Applicable	Items 6 & 11
t.	Transfer	FA: Sections 14 & 15 DA: Sections 9 & 10	Item 17
u.	Renewal	FA: Section 2 DA: Not Applicable	Item 17
v.	Post-termination obligations	FA: Section 19 DA: Section 14	Item 17
w.	Non-competition covenants	FA: Section 17 DA: Section 12	Item 17
x.	Dispute resolution	FA: Section 27 DA: Section 22	Item 17
y.	Other (describe)	FA: Not Applicable DA: Not Applicable	Not Applicable

ITEM 10
FINANCING

Neither we nor any of our agents or affiliates offer direct or indirect financing to you or guarantee any of your notes, leases or obligations.

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

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

CJR's Pre-Opening Obligations

Before you open your Franchised Restaurant, we will:

1. Provide you with the following site selection assistance: **(A)** CJR's site selection guidelines and, as you may request, a reasonable amount of consultation with respect thereto; and **(B)** such on-site evaluation as we may deem advisable as part of our evaluation of your request for site acceptance. (Development Agreement, § 5.B.)

2. We will advise you in writing within 30 days after receipt of all documents that we require whether we have accepted a particular site; however, we have no obligation to review any development proposal if you or your affiliates are not in full compliance with all agreements with us or our affiliates. If we do not respond within that time period, we will be deemed not to have accepted the site. (Development Agreement, § 5.D.)

3. Provide you with any training we require. (Development Agreement, § 5.F.; Franchise Agreement, §6.A. & 6.I.)

4. Provide you electronic access to CJR's Development Guide and OPM, which contain mandatory specifications and standards relating to construction of Carl's Jr. Restaurants and information relating to your other obligations under the Development Agreement and Franchise Agreement. (Development Agreement, § 6; Franchise Agreement, §9)

5. Furnish you with prototypical plans and specifications for a Carl's Jr. Restaurant, including requirements for dimensions, design image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. (Development Agreement, § 6). It will be your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the location of your Franchised Restaurant ("Franchised Location"), and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You must use only registered architects, registered engineers, and professional and licensed contractors.

We will review the construction plans for the proposed Franchised Restaurant and notify you within 30 days after we receive the plans, or such longer period as we require, whether the plans are approved. (Franchise Agreement, §4.B.).

6. Provide you with a final inspection of the Franchised Restaurant, if we choose to conduct one, and provide you with express written authorization to open the Franchised Restaurant if you have complied with all conditions. (Franchise Agreement, §4.K.)

7. Provide you electronic access to our confidential and proprietary OPM, which contains information and knowledge that is unique, necessary and material to the Carl's Jr. System. The OPM remains our property. We may revise the contents of the OPM and you agree to comply with each new or changed section. (Franchise Agreement, §9). We will permit you to inspect a copy of the OPM before you purchase a franchise, if you first sign a Confidentiality Agreement, which is attached as Exhibit F.

8. Provide you with consultation and advice at no additional cost with regard to construction or renovation and operation of the Franchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, training, purchasing and inventory control and those other matters as we deem appropriate. (Franchise Agreement, §12.A.)

9. Provide you with assistance, upon your request, in opening the Franchised Restaurant and in training your employees as we deem appropriate in light of your needs and the availability of our personnel. We have the right to charge you a fee for the opening training support team, depending on the level of support needed to open the Franchised Restaurant (as determined by us). (Franchise Agreement, §11.B.)

10. Provide the FMTP to up to 8 individuals. The details of the FMTP are described later in this Item. (Franchise Agreement, §11.A.).

CJR's Obligations During Operation of the Franchise

During the operation of your Franchised Restaurant, we will:

1. Collect, administer and spend for advertising and promotion purposes monies paid by franchisees and company-operated restaurants into the Production Fund and Media Fund. (Franchise Agreement, §§8.B., C., and E.)

2. Provide you with guidelines for local advertising and promotion from time to time. You must submit to us for our prior approval any local advertising and promotional materials purchased from a source other than CJR or its affiliates. (Franchise Agreement, §8.D.)

3. We may change or modify the Carl's Jr. System, including modifications to the OPM, required training program, the menu and menu formats, the required equipment, the signage, the building and premises of the Franchised Restaurant (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and means of reporting and of payment of any monies owed to CJR (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. (Franchise Agreement, §10.A.)

4. Provide additional training to you, if we decide to offer any additional training. We reserve the right to require you to pay a tuition fee for these additional training programs, and you will be required to pay all travel, living and other expenses incurred by your employees while attending the training. (Franchise Agreement, §11.B.)

5. Provide periodic advice and consultation to you in connection with the operation of the Franchised Restaurant as we deem appropriate or necessary. We will provide to you, as we deem appropriate or necessary, our knowledge and expertise regarding the Carl's Jr. System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, system and tools, food and beverage preparation, sales promotion, service concepts, overall restaurant

operations, financial metrics and other areas. We may provide these services through visits by our representatives to the Franchised Restaurant or your offices, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications or other communications. (Franchise Agreement, §12.C.)

6. Conduct inspections of the Franchised Restaurant and evaluations of the products sold and services rendered as we deem appropriate or necessary. (Franchise Agreement, §12.D.; Co-Brand Location Addendum, § 7)

Advertising

During the term of the Franchise Agreement, you will have an advertising and promotion obligation ("APO"), paid on a weekly basis, in the amount set forth in an appendix to the Franchise Agreement. You will pay that portion of the APO as we direct to the Production Fund described in the next paragraph. The remainder of the APO shall be paid, at the same time and in the same manner as the royalty fee, to a Media Fund. Currently, approximately 1.0% of Gross Sales is paid to the Production Fund and 5% of Gross Sales is paid to the Media Fund. CJR reserves the right to reallocate or change the APO split. There is no franchisee advertising council that advises CJR on advertising policy.

Our predecessor has established, and we will maintain and administer, a fund for the creation and development of advertising, marketing and public relations, research and related programs, gift card and loyalty programs, activities and materials that we, in our sole discretion, deem appropriate ("Production Fund"). Vendors and suppliers also may contribute to the Production Fund. We or our designee direct all advertising, marketing, and public relations programs and activities financed by the Production Fund with sole discretion over the creative concepts (including pricing), materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. We usually work with an advertising agency in developing advertising for print, radio, Internet and television and leverage internal and contract creative services.

Our predecessor also has established, and we will maintain and administer, a fund for all working media costs ("Media Fund"). We or our designee direct all advertising, marketing, and public relations programs and activities financed by the Media Fund with sole discretion over the creative concepts (including pricing), materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials.

Franchisee agrees that Media Fund may be used, among other things, to pay the costs of preparing and producing such associated materials and programs as CJR or its designee may determine, including but not limited to video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail, in-App support for third party delivery platforms like Doordash and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. As detailed further below, Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs. For clarity, this includes honoring all price components of any advertising, marketing and promotions, instituted by the Production Fund or Media Fund. From time to time, CJR or its designee may furnish Franchisee with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges.

As noted above, CJR may from time to time establish temporary or permanent promotional campaigns (e.g., limited time offers, gift cards, coupons, customer relationship management, and other

supplemental marketing programs) applicable to the System as a whole or to specific advertising market areas. These promotional campaigns may also promote, or involve the participation of, restaurants or businesses other than Carl's Jr. Restaurants, such as restaurants or businesses operated under different brands that are operated or licensed by CJR's affiliates. You are required to participate in these promotional programs at your own cost, including the costs to purchase, lease and install all materials and technology necessary to participate in the promotional campaigns, including counter cards, posters, banners, signs, photographs, give-away items, branded items, and gift cards. From time to time, CJR or its designee may furnish you with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges.

If Franchisee is delinquent in paying required Media Fund contributions, we reserve the right to suspend or withhold media placement and/or local market advertising expenditures in your market until your delinquency is cured.

CJR will administer the Production Fund and the Media Fund (at times referred to as the "Funds"). The Production Fund and Media Fund are not trust or escrow accounts, and CJR has no fiduciary obligation to franchisees with respect to them. CJR or its designee has the right to terminate (and subsequently restart) the Production Fund or the Media Fund or establish different advertising funds. CJR may incorporate any advertising fund and may have a separate entity manage any advertising fund In the fiscal year ended January 26, 2026, of the total monies spent by the Funds, 6% was spent for production; 79% was spent for media placement; 1% was spent on research/marketing consulting fees; and 14% was spent for miscellaneous expenses, including administrative expenses. No money was spent by the Funds to solicit new franchisees.

You may, during the period beginning 30 days before the scheduled opening of your Franchised Restaurant and continuing for 90 days after your Franchised Restaurant first opens for business ("Grand Opening Period"), conduct such grand opening advertising as CJR and you deem appropriate. CJR will reimburse you up to $5,000, in accordance with our Grand Opening Policy as may be in effect from time to time, for grand opening advertising during the Grand Opening Period, if those expenditures were pre-approved by CJR and comply with the requirements of your Franchise Agreement for local advertising and you provide written proof to CJR of the advertising and the cost for that advertising no later than 90 days after your Franchised Restaurant first opens for business.

Local advertising and promotion materials may be purchased from any CJR-approved source. If purchased from a source other than CJR or its affiliates or if the materials are created or developed by you, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by CJR or its designee and must be submitted to CJR or its designee at least 30 days prior to first use for approval, which CJR may grant or withhold in its sole discretion. In no event may your advertising contain any statement or material which, in the sole discretion of CJR, may be considered: **(1)** in bad taste or offensive to the public or to any group of persons; **(2)** defamatory of any person or an attack on any competitor; **(3)** to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or **(4)** inconsistent with the public image of CJR or the System. Within 30 days after the end of each fiscal quarter, you must provide us or our designee with copies of all documentation demonstrating the amount and types of local marketing expenditures you made in the prior fiscal quarter.

We have the right, following written notice to you, to reallocate the APO and to increase the APO; however, we will not increase the APO by more than ½% of Gross Sales in any 12-month period, and your maximum required APO will not exceed 7% of Gross Sales.

CJR maintains separate bookkeeping accounts for all advertising funds. CJR prepares an unaudited report of the operations of the funds annually, which is available to you upon written request. Restaurants operated by CJR contribute to the various advertising funds an amount equivalent to that contributed by comparable franchised Restaurants. In spending advertising monies, CJR is not obligated to make expenditures for any franchisee that are equivalent or proportionate to that franchisee's contribution or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditure of the funds. For the avoidance of doubt, a franchisee's benefit (if any) from its contributions to the Production Fund and Media Fund are not based on a dollar-in, dollar-out basis.

Generally, CJR believes that it will spend all advertising payments during the taxable year in which the contribution and earnings are received. If we do not spend the advertising payments in one year, we will spend them in the following year.

Electronic Cash Register/Point of Sale System

Franchisees must lease or purchase such Computer/POS hardware and software as required by CJR. Currently, a typical Carl's Jr. Restaurant requires a Computer/POS System consisting of 4 POS terminals, 6 kitchen display monitors and the POS System software required by CJR.

The POS hardware currently approved by CJR includes Genius GC26, PAR ES600 or PAR ES8500 terminals, which record customer transactions and collect and generate gross sales reports (including sales by categories) for the Franchised Restaurant.

The POS software currently approved by CJR includes Genius POS, PAR Brink or Xenial Xpient for existing Franchised Restaurant and Genius POS for new Franchised Restaurants. Existing Franchised Restaurants may continue to use PAR Brink or Xenial Xpient software, subject to the transition requirements and deadlines required by CJR. All new Franchised Restaurants are required to use Genius POS at opening.

Further information regarding CJR's required Computer/POS System is described below:

- **Genius POS (Required for New Franchised Restaurants):** Genius POS includes its own kitchen display systems, which are available for purchase only. Through July 1, 2027, the initial Genius POS package per store includes 4 POS terminals, 4 KDS systems (4 displays, 4 bump bars, and 4 controllers), 3 cash drawers, and 3 kitchen printers at no charge, subject to an installation fee ranging from $745 to $3,440 per restaurant. Any additional hardware beyond the initial Genius POS package must be purchased separately, but there are no additional monthly service fees.

- **PAR Brink (Existing Franchised Restaurants Only):** You must purchase or lease Brink Kitchen Display Systems and a back-office workstation as recommended by the software provider. The cost of PAR Brink includes an initial setup fee of $2,200 per Franchised Restaurant and an annual license fee of $576 per Franchised Restaurant, which covers 4 terminals and 6 kitchen display systems. Both fees are payable directly to the third-party vendor. You may add additional terminals or KDS systems for $7 per month per additional service. If you choose PAR Brink, you must also use CrunchTime as your back-office software solution. Effective August 1, 2027, the monthly software fee is expected to increase from $65 per restaurant per month to $250 per restaurant per month.

- **Xenial/Xpient (Existing Franchised Restaurants Only):** You must obtain a license directly from Xenial and arrange on-site support through a vendor approved by Xenial. The Xenial Xpient IRIS (5.0 or higher) system is anticipated to reach end-of-life on December 31, 2027.

For PAR Brink or Genius, you may enter into a Software Support Agreement with CKE (current form attached as Exhibit G-1) and pay a Software Support Fee of $118 per Franchised Restaurant per fiscal period, which provides access to Level 1 and Level 2 help desk support. In addition, if you use PAR Brink, you must pay $825 per Franchised Restaurant bi-annually (every 26-week accounting period) to CrunchTime for support services, including hardware and network support, phone and internet issues, and access to the back-office software solution.

If you obtain support for PAR Brink/CrunchTime from a third party, we estimate the cost to be on average $250 per month. In addition, for PAR Brink, you must enter into a written agreement with Par Tech, Inc. ("Par Tech"), Lucas POS Systems, or POS Technical to provide on-site support. Par Tech, Lucas POS Systems, or POS Technical will bill you directly for these services. If you choose Xenial Xpient IRIS 5.0 (or higher) as your POS software, you will need to obtain a license directly from Xenial and on-site support from a vendor approved by Xenial. If you choose Genius, you must agree to its applicable license and terms and conditions.

For all POS software systems you must meet our required connectivity standards currently, (a) Cisco Meraki Firewall/Router with Advanced Security License; (b) Cisco Meraki Wireless Access Points, Cisco Meraki 48 port switch; (c) highly reliable internet with auto-failure to LTE Backup; and (d)Wi-Fi for guests (if Internet speeds are fast enough to support it and back of house operations). The hardware for the connectivity currently includes security appliance – Meraki MX68 w/Advanced Security License, wireless access Points – Meraki MR36, and managed switch – Meraki MS130. You are required to upgrade or update these systems and add or replace components during the term of the Franchise Agreement, and there is no contractual limitation on the frequency or cost of the obligation.

The purchase price of the required hardware, software and support ranges from approximately $35,000 to $45,000, depending on the vendor selected.

You must maintain your point-of-sale system and keep it in good repair. We can access the information stored in the system, and there is no contractual limitation on our right to do so. We estimate the cost of maintaining, updating or upgrading your Computer/POS System or its components will range from $1,800 to $3,000 annually, although the cost will depend on your repair history, local costs of computer maintenance services in your area and technological advances, which we cannot predict at this time, and this annual estimate is separate and independent from any requirement to install a new cash register/point of sale system.

You must participate in any online ordering and delivery programs that we may establish with approved supplier(s) (currently Uber Eats, Door Dash, and GrubHub) and you must comply with any participation criteria and other rules applicable to such programs. You must also participate in our loyalty and gift card programs and any other marketing and promotional initiatives that we may from time to time establish with approved vendors and comply with any participation criteria and other rules applicable to such programs. We have the right to modify the participation criteria or discontinue such initiatives at any time upon written notice to you. We will provide you access to the online ordering/delivery and loyalty program software and technology (which currently includes OLO, Data Menu Management, Punchh Loyalty, Data Management (customer data processing) and Future (enterprise data management and content management system). You must pay us the Digital Tech Fee identified in Item 6 (currently $160 per 4-week fiscal period). We may use the Digital Tech Fee to offset and/or recoup our costs, fees and expenses (including employee overhead) we have incurred related to building and managing the digital initiatives and platforms. Note, CJR will shift from a fixed to a variable digital and technology fee no sooner than August 11, 2026. Such fee will be 3% of the Gross Sales generated through the online and mobile ordering platforms, applications, websites, and related digital technologies that are owned, controlled, or developed by CJR (or its affiliates) for use in connection with the Carl's Jr. brand ("First Party Digital Channels").

You must execute the OLO Authorized Operator Agreement (current form is attached as Exhibit G-2) and we may require you to execute additional or different software agreements regarding your use of such technology in the future. (Franchise Agreement, Section 15.E. and Appendix A).

Selecting the Location for Your Franchised Restaurant

We do not select the site for your Franchised Restaurant. You select the site for your Franchised Restaurant subject to our acceptance. As noted in Item 1, you should not acquire any interest in a site for your Franchised Restaurant until you have been approved as a franchisee (or, if you already are a franchisee, until you have been approved for expansion) and we have accepted the site in writing. We generally do not own the Franchised Restaurant premises and lease them to franchisees.

For each proposed site for a Franchised Restaurant, you will, if requested by us, submit a Franchise Site Application to us. In addition, you may have to submit a complete real estate package (containing that information as we may reasonably require) for a proposed site, which you reasonably believe conforms to our then-current site selection criteria, including demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses (including restaurants operated or franchised by CJR or our affiliates), the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises. Within 30 days after receipt of these documents, and any information which CJR may reasonably require, we will advise you in writing whether we have accepted a particular site; however, CJR has no obligation to review any development proposal if you or your affiliates are not in full compliance with all agreements with CJR or its affiliates. If we do not respond within that time period, we will be deemed not to have accepted the site. Our acceptance or refusal to accept a site for the Franchised Restaurant may be subject to reasonable conditions as determined in our sole discretion.

We may refuse to accept a site for a proposed Franchised Restaurant unless you demonstrate sufficient financial capabilities, in our sole judgment, applying standards consistent with criteria we use to establish Carl's Jr. Restaurants in other comparable market areas, to properly develop, operate and maintain the Franchised Restaurant. Therefore, you also must furnish us with such financial statements and other information regarding you and the development and operation of the proposed Franchised Restaurant, including, without limitation, investment and financing plans for the proposed Franchised Restaurant, as we reasonably may require.

Our acceptance of one or more sites is not a representation or a promise by CJR that a Franchised Restaurant at an accepted site will achieve a certain sales volume or a certain level of profitability. Similarly, our acceptance of one or more sites and our refusal to accept other sites is not a representation or a promise that an accepted site will have a higher sales volume or be more profitable than a site which we did not accept. Our acceptance only indicates our willingness to be represented by you at that site.

Following our acceptance of a site, you must secure the site by entering into a lease or sublease for the site or purchasing the real property. This must be finalized no later than 6 to 9 months after our site acceptance ("Property Control Date"). If you do not do so by the Property Control Date, the site acceptance will be deemed withdrawn without providing you notice. You must commence construction within 6 months after the Property Control Date. If you fail to do so, site acceptance will be deemed withdrawn without providing you notice. You may not commence construction until we have a fully-executed Franchise Agreement with you and you have paid us the Initial Franchise Fees. You must open the Franchised Restaurant within 18 months after the Property Control Date. If you fail to open the Franchised Restaurant within 18 months after the Property Control Date, we will have the right to terminate the Franchise Agreement.

Time Between Agreement Signing and Opening

The typical length of time between the Property Control Date and the opening of the Franchised Restaurant is between 12 and 18 months. Factors affecting the length of time needed to open the Franchised Restaurant usually include your ability to obtain adequate financing, weather, local requirements and procedures for necessary permits and zoning, shortages or delayed installation of equipment, signs and fixtures and special circumstances affecting construction in a particular area, none of which are within our control.

Training

We may require those individuals who will have a 10% or greater interest in the franchisee entity to attend a 10-Day Operations Overview before we will commit to enter into any agreement with you. The 10-Day Operations Overview will be conducted at those locations specified by us. As described in Item 5, we may charge a fee for this program, and you will be required to pay all travel, living and other expenses incurred in attending this program. The persons participating in the 10-Day Operations Overview will be required to execute the Preliminary Agreement.

We currently provide, at no charge for you, your Operating Principal (if not previously trained), your General Manager and 6 other employees who you have hired as Shift Leaders, the FMTP, provided the training takes place within 2 years of your signing the Franchise Agreement, in the operation of a Carl's Jr. Restaurant at those times and places designated by us. We reserve, however, the right to modify or waive the training required based on individual's or your experience. As described in Item 5, a fee is charged to provide the FMTP to additional individuals. The FMTP will include restaurant training at a Carl's Jr. Restaurant designated by us and training on Star University (StarU), our online Learning Management System, as needed.

In addition, we also provide you with access to our Learning Management System called Star University (StarU). Star University is a learning management platform which is used for the administration, tracking and reporting of learning and development programs. Currently, the fee associated with the use of this program is $18.20 per fiscal period (as defined by us, currently a 4-week accounting period), but we reserve the right to increase the fee in the future. In addition, you will be required to sign the Star University License Agreement (the current form is attached as Appendix I to the Franchise Agreement). The fee is paid to us but we pass this entire fee to a third-party vendor to help facilitate the training environment. The use of Star University requires certain high-speed internet and hardware and such costs will be solely your responsibility. Star University is a required training tool for your Franchised Restaurant.

You will be required to pay all travel, living and other expenses incurred by you and your employees while attending the training. We reserve the right to dismiss from the FMTP any person whom we do not believe will perform acceptably in the position for which he has been hired by you, and you will provide a suitable replacement within one month of that dismissal.

The minimum length of the FMTP is 8 consecutive weeks; however, depending on the prior experience of the trainee, the FMTP could be shorter or longer. The FMTP trainers are experienced Carl's Jr. Restaurant managers who conduct the training under the supervision of CKR's Global Learning & Organizational Development and Restaurant Excellence (REX) departments. See Note (2) below regarding the collective experience of both of these departments.

In addition, if you do not currently operate a Franchised Restaurant or if you have not opened a new Franchised Restaurant in the last 2 years, your Operating Principal must attend another franchisee's (or a company) new restaurant opening no more than 12 months before your Franchised Restaurant opens.

Any training that we may provide to any of your employees will be limited to training or guiding the employees regarding the delivery of approved products to customers in a manner that reflects the customer service standards of the Carl's Jr. System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

TRAINING PROGRAM

The following chart summarizes the subjects taught during the FMTP in the operation of a Carl's Jr. Restaurant:

General Manager Training:

Title	Hours of Classroom Training	Hours of On the Job Training	Location
RGM LIT Hype Video	:07		Designated Training Facility
RGM LIT Program Introductions	:08		Designated Training Facility
Chapter 1 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Plans and Aligns	:13		Designated Training Facility
RGM Chapter 1 Exam 1	:15		Designated Training Facility
RGM Chapter 1 Exam 2	:15		Designated Training Facility
RGM Chapter 1 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	Designated Training Facility
Chapter 1 Hands on Practice		30:00	
Chapter 2 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Optimizes Work Processes	:13		Designated Training Facility
RGM Chapter 2 Exam 1	:15		Designated Training Facility
RGM Chapter 2 Exam 2	:15		Designated Training Facility
RGM Chapter 2 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 2 Hands on Practice		30:00	
Chapter 3 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Interpersonal Savvy	:15		Designated Training Facility
RGM Chapter 3 Exam 1	:15		Designated Training Facility
RGM Chapter 3 Exam 2	:15		Designated Training Facility
RGM Chapter 3 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 3 Hands on Practice		30:00	
Chapter 4 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Develops Talent	:16		Designated Training Facility

Title	Hours of Classroom Training	Hours of On the Job Training	Location
RGM Chapter 4 Exam 1	:15		Designated Training Facility
RGM Chapter 4 Exam 2	:15		Designated Training Facility
RGM Chapter 4 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 4 Hands on Practice		30:00	
Chapter 5 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Business Insights	:12		Designated Training Facility
RGM Chapter 5 Exam 1	:15		Designated Training Facility
RGM Chapter 5 Exam 2	:15		Designated Training Facility
RGM Chapter 5 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 5 Hands on Practice		30:00	
RGM Program Evaluation	:15		Designated Training Facility
Workbook Practice Activities	32:00		Designated Training Facility
	40:32 (hrs)	**155 (hrs)**	Designated Training Facility
Total			**About 24.42 Days (195.32 hrs)**

Shift Leader and General Manager Training:

Title	Hours of Classroom Training	Hours of On the Job Training	Location
MIT 1.01 Intro	:02		Star University; Designated Training Facility
MIT 1.02 Learning Leadership	:12		Star University; Designated Training Facility
MIT 1.03 Leadership Essentials Communication	:12		Star University; Designated Training Facility
MIT 1.04 Leading Stations - Backline	:20		Star University; Designated Training Facility
MIT 1.05 Leading Stations - Frontline	:20		Star University; Designated Training Facility
MIT 1.06 Training Team Members	:10		Star University; Designated Training Facility
MIT 1.07 Coaching Others - QSC	:15		Virtual; Certified Training Restaurant (“CTR”) or Designated Training Facility
MIT 1.08 Leading Others	:05		Virtual; CTR location or Designated Training Facility
MIT Exam 1	:30		Virtual; CTR location or Designated Training Facility
Chapter 1 Hands on Practice		64:00	

Title	Hours of Classroom Training	Hours of On the Job Training	Location
MIT Observation 1		:45	Star University; Designated Training Facility
MIT 2.01 Delivering Results	:05		Star University; Designated Training Facility
MIT 2.02 Shift Strategy	:05		Star University; Designated Training Facility
MIT 2.03 Pathing	:10		Star University; Designated Training Facility
MIT 2.04 Asset Protection	:15		Star University; Designated Training Facility
MIT 2.05 Business Leadership	:08		Star University; Designated Training Facility
MIT 2.06 Decision Making	:05		Star University; Designated Training Facility
MIT 2.07 Guest Focus	:10		Star University; Designated Training Facility
MIT 2.08 Teamwork	:05		Virtual; CTR location or Designated Training Facility
MIT Exam 2	:30		Virtual; CTR location or Designated Training Facility
Chapter 2 Hands on Practice		64:00	
MIT Observation 2	:15	:45	Star University; Designated Training Facility
MIT 3.01 Accountability	:15		Star University; Designated Training Facility
MIT 3.02 Audits and Inspections	:15		Star University; Designated Training Facility
MIT 3.03 Resilience	:10		Star University; Designated Training Facility
MIT 3.04 Food and Labor Basics	:20		Star University; Designated Training Facility
MIT 3.05 Centerpost Success	:15		Star University; Designated Training Facility
MIT 3.06 Opening and Closing	:15		Star University; Designated Training Facility
2026 New Hire - MIT 3.07 Banking	:15		Star University; Designated Training Facility
2026 New Hire - MIT 3.08 Emergencies	:05		Star University; Designated Training Facility
2026 New Hire - MIT Exam 3	:30		Star University; Designated Training Facility
Chapter 3 Hands on Practice		64:00	
2026 New Hire - MIT Observation 3		:45	Star University; Designated Training Facility

Title	Hours of Classroom Training	Hours of On the Job Training	Location
	6.23 (hrs)	**97:25 (hrs)**	
Total			**About 12.93 Days (103.48 hrs)**

General Manager, Shift Leader and Crew Person Training:

Title	Hours of Classroom Training (in min)	Hours of On the Job Training	Location
Crew Onboarding (Crew Person, Shift Leader, Restaurant General Manager (RGM))			
Welcome Carl's Jr.	2:05		Star University; Designated Training Facility
Shift Leader/RGM Onboarding			
Feeder Station	:13	3	Star University; Designated Training Facility
Feeder Station Exam	:11		
Feeder Station Observation		:30	
Fry Station	:10	3	Star University; Designated Training Facility
Fry Station Exam	:11		
Fry Station Observation		:30	
Cook Station	:09	3	Star University; Designated Training Facility
Cook Station Exam	:11		
Cook Station Observation		:30	
Grill Station	:11	3	Star University; Designated Training Facility
Grill Station Exam	:12		
Grill Station Observation		:30	
Hand Breaded Chicken Tender Station	:11	3	Star University; Designated Training Facility
Hand Bread Chicken Station Exam	:12		
Hand Breaded Chicken Tender Station Observation		:30	

Title	Hours of Classroom Training (in min)	Hours of On the Job Training	Location
Dining Room Station	:11	3	Star University; Designated Training Facility
Dining Room Station Exam	:11		
Dining Room Station Observation		:30	
Cashier Station	:11	3	Star University; Designated Training Facility
Cashier Station Exam	:11		
Cashier Station Observation		:30	
Drive Thru Station	:15	3	Star University; Designated Training Facility
Drive Thru Station Exam	:11		
Drive Thru Station Observation		:30	
Prep Station	:08	3	Star University; Designated Training Facility
Prep Station Exam	:20		
Prep Station Observation		:30	
	23 (mins)	**2100 (hrs)**	
Total			**4.87 Days (38.97 hrs/2338 mins)**
Additional Crew Trainings (Shift Leader, RGM)			
QSC Team Member	:03		Star University; Designated Training Facility
QSC Cleanliness	:20		Star University; Designated Training Facility
	:23 (mins)		
Total			**About :23 (half an hour)**

NOTES

(1) The instructional materials for the FMTP include the following Training Program Materials: Crew Person, Shift Leader and Restaurant General Manager (RGM) workbooks.

(2) Our Global Learning & Organizational Development and Restaurant Excellence teams share over a decade of experience leading training and performance initiatives in guest-facing organizations. FMTP trainers include General Managers, District Managers, and Certified Training Managers. Jasmine Stepp currently serves as Senior Manager of Talent Strategy & Organizational Effectiveness and has held various training roles since 2017 and has supported CKE training department since 2021. Joshua Buchanan, Senior Director of Restaurant Excellence, has supported

CKE Restaurant Operations and training since 2017. Kisha Cardoza, Senior Manager for Operations Excellence, has held various training roles since 2008 and has supported CKE Training Department since 2019.

Other Training

We have the right to require that you, your owners, your Operating Principal, your General Manager and any other employees hired by you to fill certain designated positions take and successfully complete other training courses in addition to the FMTP. We reserve the right to require you to pay a tuition fee for these additional training programs as established by us from time to time. We also reserve the right to modify or waive the elements of the FMTP, any additional FMTP training, and the 10 day Operations Overview, in our sole discretion. You will be required to pay all travel, living and other expenses incurred by your personnel while attending this training.

All-Star Team Opening Training Support

For your first two Franchised Restaurants, you will receive the assistance of our All-Star Team in the pre-opening and opening of those two Franchised Restaurants. The All-Star Team may consist of our corporate staff and/or it may include one or more of our franchisees, as we may determine. The All-Star Team's primary responsibility is to assist with restaurant set-up, restaurant crew station training and guest experience during your Franchise Restaurant pre-opening and opening. You will be responsible for the salaries, administrative fees, meals, travel and lodging expenses of the All-Star Team members while they are trainers at your Franchised Restaurant. For additional details, see Items 5 and 7.

Training by You

You must conduct those initial and continuing training programs for your employees as we periodically require. You must ensure that all of your employees have been trained in the proper operation of the Franchised Restaurant. In addition, if you operate three or more Franchised Restaurants, we may require, in our sole discretion, that (A) you obtain and maintain a certification from us for one or more of your Franchised Restaurants to be an authorized training restaurant (a **"Certified Franchisee Training Restaurant"**) and (B) one or more of your General Managers obtain and maintain a certification from us as a trainer authorized to provide our FMTP to your new trainees (a **"Certified Franchisee Training Manager"**). Your Certified Franchisee Training Manager may provide our FMTP at a Certified Franchisee Training Restaurant in accordance with our System standards for such training. To become a Certified Franchisee Training Manager, a General Manager must (i) complete our FMTP, (ii) maintain specific food safety programs, (iii) attend any required additional training program as specified by us from time to time, and (iv) meet other qualifications that we may specify from time to time. To be designated as a Certified Training Restaurant, your Franchised Restaurant must (a) meet compliance scores that we specify, (b) fully comply with our then-current System standards, (c) maintain established personnel requirements, in addition to a Certified Franchisee Training Manager, (d) remain compliant with all health department or other regulatory requirements; and (e) meet any other requirements that we may specify from time to time. We may, in our sole discretion, revoke certification for a Certified Franchisee Training Restaurant or a Certified Franchisee Training Manager. If we revoke certification, we may require your trainees to attend the FMTP at another location that we designate.

Conventions

We may, from time to time, conduct conferences, conventions, programs, webinars, teleconferences, or training sessions on any matters related to the System. Your Operating Principal or your General Manager and other personnel we designate must attend each such meeting, program, or session

that we require. We may charge you a reasonable fee to attend any such meeting, program, or session. We may require you to purchase or license from us, our affiliates, or third-party suppliers any training platform and equipment necessary to use or access the training materials. (Franchise Agreement, Section 13.B)

ITEM 12
TERRITORY

Development Agreement

You will not receive an exclusive territory under the Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If you sign a Development Agreement, you will receive a Development Territory, which will be mutually agreed upon by CJR and you, taking into consideration the density of the area and the number of Franchised Restaurants you agree to develop. A description of the Development Territory will be attached as an appendix to the Development Agreement. The perimeters of the Development Territory may be described by specific street boundaries, county lines, state lines, municipal boundaries, railroad tracks or other similar boundary descriptions, and the size may range from a portion of a metropolitan area to a county or a state in less densely populated areas. You must obtain our prior written acceptance of each site for a Franchised Restaurant, which will be based on our then-current standards for sites for Carl's Jr.

The Carl's Jr. System (including the products sold under the Proprietary Marks) have been developed, and are designed, to function effectively in a wide variety of retail environments, many of which are not practically available to you. Accordingly, under the Development Agreement, we reserve to ourselves the right to: **(A)** operate and license others to operate Carl's Jr. Restaurants in the Development Territory that are located in travel plazas, gas stations or convenience stores; **(B)** operate and license others to operate Carl's Jr. Restaurants in the Development Territory that are located in airports, train stations, bus stations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos, "ghost" or "dark" kitchens or any similar captive market location or non-traditional "brick and mortar" location; **(C)** award national or regional licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark; **(D)** develop and operate and license others to develop and operate restaurants other than Carl's Jr. Restaurants in the Development Territory; **(E)** merchandise and distribute products identified by some or all of the Proprietary Marks in the Development Territory through any other method or channel of distribution; and **(F)** sell and distribute products identified by some or all of the Proprietary Marks in the Development Territory to restaurants other than Carl's Jr. Restaurants provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales.

Except as described in the preceding paragraph, we will not, during the term of the Development Agreement, operate or license others to operate Carl's Jr. Restaurants in the Development Territory, provided you are in compliance with the terms of the Development Agreement and other agreements with us or our affiliates and you are current on all obligations due us and our affiliates. This does not prohibit us or our affiliates from: **(1)** operating and licensing others to operate, during the term of the Development Agreement, Carl's Jr. Restaurants at any location outside of the Development Territory; **(2)** operating and licensing others to operate, after the Development Agreement terminates or expires, Carl's Jr. Restaurants at any location; and **(3)** operating and licensing others to operate at any location, during or after the Development Term, any type of restaurant other than a Carl's Jr. Restaurant.

These restrictions apply only to CJR and do not apply to Carl's Jr. Restaurants in operation in the Development Territory as of the date of the Development Agreement. Nothing shall prohibit CJR or its affiliates from operating or licensing a restaurant at any location in or outside the Development Territory, other than a restaurant in the Development Territory that primarily is identified by the name and mark "Carl's Jr."

Continuation of the limited restrictions on our ability to operate and license others to operate Carl's Jr. Restaurants in the Development Territory does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default under the Development Agreement or any Franchise Agreement, we may terminate the Development Agreement and your limited rights in the Development Territory. There are no other circumstances in which we can unilaterally modify your limited rights in the Development Territory.

There are no restrictions on the areas in which you may advertise or solicit customers for your Franchised Restaurants; however, see Item 13 for Internet restrictions. We reserve all rights to use and license the Carl's Jr. System other than those we expressly grant you under the Development Agreement, the Franchise Agreement. There are no restrictions on the areas in which we may advertise or solicit customers, nor must we pay any compensation to you for soliciting or accepting orders from inside the Development Territory. The rights we reserve include the right to use any other channel of distribution, including the Internet, to make sales in the Development Territory using the Proprietary Marks or different proprietary marks.

Franchise Agreement

You will not receive any exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You do not receive the right, under the Franchise Agreement, to develop or operate more than one Franchised Restaurant. Our prior written consent is required before you relocate the Franchised Restaurant. If your right to possession of the Franchise Restaurant premises is lost through no act or failure to act on your part, you may relocate the Franchised Restaurant if: (1) we accept the new location; (2) you construct and equip a Franchised Restaurant at the new location in accordance with the then-current System standards and specifications; (3) a Franchised Restaurant at the new location is open to the public for business within 6 months after the loss of possession of the original franchised location; and (4) you reimburse us for all reasonable expenses actually incurred by us in connection with the acceptance of the new location.

You may only sell or distribute products identified by some or all of the Proprietary Marks from the Franchised Location; you may not use any other method or channel of distribution. We do not impose any geographic restrictions on your ability to solicit customers; however, see Item 13 for Internet restrictions. In addition, you must participate in all online ordering and delivery programs that we may designate from time to time and comply with the terms and conditions of such programs, including any geographic or other delivery restrictions. There are no restrictions on our ability to solicit customers, nor must we pay any compensation to you for soliciting or accepting orders. We reserve all rights to use and license the Carl's Jr. System other than those we expressly grant to you. We reserve the right to merchandise and distribute goods and services identified by the Proprietary Marks (or different proprietary marks) through any method or channel of distribution, including the Internet.

As noted in Item 1, pursuant to the Management Agreement, CKR, at all times acting on our behalf, may fulfill all of our duties and obligations under all existing and future Franchise Agreements and Development Agreements, including managing the Carl's Jr. System; marketing and offering new and renewal Franchise Agreements and Development Agreements as our franchise broker; training franchisees

and their employees; and providing the required support to franchisees. Pursuant to the same Management Agreement, CKR, also fulfills all of HR's duties and obligations under all existing and future franchise agreements and development agreements for Hardee's Restaurants, which are quick service restaurants identified in whole or in part by the name "Hardee's." Except in limited circumstances, Carl's Jr. Restaurants are not located in the same geographic area as Hardee's Restaurants. In the limited circumstances where there is overlap, HR and its franchisees may solicit or accept orders within the same area served by Restaurants operated by Carl's Jr. franchisees, and any potential conflict between the franchisees of each system will be resolved on a case by case basis. As noted in Item 1, the principal place of business of CKR and HR is the same as ours.

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13
TRADEMARKS

For Carl's Jr. Restaurant franchisees, we grant you the right to operate a restaurant under the name "Carl's Jr." and to use our other current or future trademarks that we designate in the operation of your Franchised Restaurant. By trademarks, we mean trade names, trademarks, trade dress, service marks, logos, insignias, slogans, emblems, symbols, designs and any combination of these or any other indicia of source used to identify and distinguish the Carl's Jr. brand (our "Proprietary Marks"). We own all right, title and interest in and to the Proprietary Marks and you will only have such rights to use the Proprietary Marks as granted to you in the Franchise Agreement.

Our Proprietary Marks include both registered and unregistered marks. Registered marks are marks that have been registered with the United States Patent and Trademark Office ("USPTO") and enjoy the protections of federal registration. Unregistered marks may include short term product marks (LTOS or similar promotions), trade dress, or other marks that, while not registered, are protected by common law based upon our use of the marks. We own the following principal trademarks ("Principal Trademarks"), which are a subset of our Proprietary Marks that are core to the business. The following Principal Trademarks have been registered with the USPTO on the Principal Register, and any applicable required affidavits of continued use have been filed and accepted:

Trademark	Registration Number	Registration Date
	1,631,819 1,297,845 1,151,330	01/15/91 (Renewed) 09/25/84 (Renewed) 04/14/81 (Renewed)
	5,651,207	01/08/19 (Renewed)
CARL'S JR.	1,400,272 901,315 7672039 7849709	07/08/86(Renewed) 10/20/70 (Renewed) 01/28/25 07/01/25
HAPPY STAR	1,084,351	01/31/78 (Renewed)
	3,524,587	10/28/08 (Renewed)
	5,654,099	01/15/19 (Renewed)
STAR PALS	6760794	06/14/22
	5932708	12/10/19 (Renewed)
FAMOUS STAR	3612923	04/29/2009 (Renewed)
SUPER STAR	1099039 6701966 6001520	08/08/78 (Renewed) 04/12/22 03/03/20 (Renewed)
WESTERN BACON CHEESEBURGER	1456922 1481762	09/08/1987 (Renewed) 03/22/1988 (Renewed)

In addition to the Principal Trademarks listed above, we own additional USPTO registrations for other Proprietary Marks such as older logos, product names and slogans.

You must follow our rules when you use the Proprietary Marks. You cannot use the Proprietary Marks as part of a corporate, limited liability company, partnership or other business entity name or with modifying words, designs or symbols. You may not use the Proprietary Marks in connection with the sale of any unauthorized products or services or in any manner not authorized in writing by us. You may not seek registration of a Proprietary Mark or any mark that contains, includes or is similar to a Proprietary Mark.

There are no presently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court relating to the Principal Trademarks.

There are no pending infringement, opposition or cancellation proceedings or material litigation involving the Principal Trademarks. There are no agreements currently in effect that significantly limit our right to use or license the use of the Principal Trademarks in any manner material to you. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Principal Trademarks in any state.

You must promptly inform us in writing regarding any infringement of the Proprietary Marks of which you are aware. You may not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any infringement without first obtaining our written approval. We will have the right, but not the obligation, to bring an action or take those steps we consider advisable to prevent any such infringement and to join you as a party to any action in which we are or may be a party and as to which you are or would be a necessary or proper party. The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Proprietary Marks. The Franchise Agreement does require that you notify us immediately if any litigation involving our Proprietary Marks is instituted or threatened against you. You also must fully cooperate in defending or settling the litigation. You may not directly or indirectly contest the validity or our ownership of the Proprietary Marks.

You may not use our Proprietary Marks in any Internet domain name or e-mail address, in the operation of any Internet web site or on a social media platform including any social networking site, Facebook, Twitter, Instagram, Pinterest, YouTube, Snapchat, Vine, blogs, podcasts and wikis or other future social media platforms and/or technological avenues (collectively, "Social Media"; not an exclusive list and term applies to any social networking website, mobile application, blog or microblog, public and private message boards, comment sections, etc.) without our prior written consent. We may grant or withhold our consent in our sole discretion and may condition our consent on such requirements as we deem appropriate, including, among other things, that you obtain our written approval of: **(A)** any and all Internet domain names and home page addresses related to the Franchised Restaurant; **(B)** the proposed form and content of any web site related to the Franchised Restaurant; **(C)** your use of any hyperlinks or other links; **(D)** your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and **(E)** any proposed modification of your web site. We may designate the form and content of your web site and/or require that any such web site be hosted by us or a third party whom we designate, using one or more web sites that we own and/or control. We may charge you a fee for developing, reviewing and approving your web site and/or for hosting the web site. We have established a Social Media policy for all franchisees, and you must comply with the policy, as modified from time to time, and any additional policies that we issue. Any copyright in your sites or pages on any Social Media are owned by us, and you must sign any documents that we reasonably deem necessary to affirm our ownership of the copyright.

With respect to Carl's Jr. Restaurant franchisees, if we should elect to use a principal name other than "Carl's Jr." to identify the Carl's Jr. System, we may select another name. The Carl's Jr. System and the Franchise Agreement will be deemed amended to substitute that name, and you will be required to incur the necessary costs to adopt the new name.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to your Franchised Restaurant or the Carl's Jr. System, and as of January 26, 2026, do not have any pending patent applications. We own the copyright in all of our advertising and marketing materials including, but not limited to, images, copy, radio, and television commercials, and social media posts, the OPM and certain forms, architectural, engineering and

construction plans, advertising materials, product specifications, computer programs, newsletters, training materials, and operations and accounting materials. While we do not commonly register our materials protected by copyright with the United States Registrar of Copyrights, we may seek registration for these materials at any time. The duration of any copyrights is governed by applicable federal copyright laws, and, where permitted, we intend to maintain, renew, enforce, or otherwise protect such rights as we deem appropriate.

During the term of the Franchise Agreement, you will have access to trade secret information that is confidential and proprietary to us such as manuals, formulas, methods, Customer Information, vendor and pricing lists and policies. For example, the OPM and other materials contain CJR's detailed standards and specifications for managing and operating your Franchised Restaurant and other proprietary information may discuss the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of the products and beverages you will sell at your Franchised Restaurant. The OPM also contains information on management and employee training, marketing, advertising and sales promotions, signs, fixtures and furnishings, employee dress attire and appearance standards, menu concept, and business practices and procedures, such as bookkeeping, accounting, records retention and other business systems.

You acknowledge that the trade secrets derive independent economic value from not being generally known to and not readily ascertainable to others. You agree to hold in confidence and agree not to disclose or in any way make available to any unauthorized person any trade secret or any information regarding any trade secret or any proprietary information made available to you by us. You may disclose trade secrets only to your employees and agents with a legitimate need to know, each of whom you will warrant will be subject to this confidentiality requirement. You also agree not to contest CJR's interest in the trade secrets and confidential and proprietary information that comprise the Carl's Jr. System.

We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so as appropriate.

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

You are not obligated to participate personally in the direct operation of the Franchised Restaurant; however, you must designate, and we must approve, a qualified individual to serve as the "Operating Principal" of your Franchised Restaurant. If you sign a Development Agreement, you must designate, and we must approve, a qualified individual to serve as your "Development Principal."

The Operating Principal must own at least a 10% equity ownership interest in you, or in your general partner if you are a limited partnership, unless modified by us in our sole discretion, and be a person acceptable to both us and you. (This requirement does not apply if you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between you and us.) The Operating Principal must be a member of the Continuity Group and have full control over the day-to-day activities of the Franchised Restaurant and those other restaurants (that are franchised by us or our affiliates) operated by you in the same geographic market as the Franchised Restaurant, including control over the standards of operation and financial performance. Unless you have named, and we have approved, a Multi-Unit Manager (discussed below), the Operating Principal must: **(1)** devote full time and best efforts to the supervision and conduct of the Franchised Restaurant and those other restaurants (that are franchised by us or our affiliates) operated by you in the same geographic market as the Franchised Restaurant; and **(2)** maintain his/her primary residence within a reasonable driving distance of the Franchised Restaurant, unless waived in writing by us. The Operating Principal will be required to successfully complete the FMTP and any additional training required by us. If you operate restaurants in

multiple markets that are franchised by us or our affiliates, an individual meeting the above qualifications will serve as the Operating Principal in at least one market.

If you operate restaurants that are franchised by us or our affiliates in multiple geographic markets, for all markets in which the Operating Principal fails to satisfy our requirements, you must designate and retain an individual to serve as Multi-Unit Manager. The Multi-Unit Manager will be under the supervision of the Operating Principal. The Multi-Unit Manager must devote full time and best efforts to supervising the operation of the Franchised Restaurant and those other restaurants (that are franchised by us or our affiliates) operated by you in the same geographic market, successfully complete the FMTP and any additional training required by us, and be approved by us. In addition, the Multi-Unit Manager must maintain his/her primary residence within a reasonable driving distance of the Franchised Restaurant, unless waived in writing by us.

The Development Principal must own at least a 10% equity ownership interest in you, or in your general partner if you are a limited partnership, unless modified by us in our sole discretion. (This requirement does not apply if you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between you and us.) The Development Principal must be a member of the Continuity Group and have full control over the day-to-day development of the Franchised Restaurants. Unless you have named, and we have approved, a Multi-Unit Development Manager (discussed below), the Development Principal must: **(1)** devote full time and best efforts to supervising the development of the Franchised Restaurants; and **(2)** maintain his/her primary residence within a reasonable driving distance of the Development Territory, unless waived in writing by us. The Development Principal will be required to successfully complete our development training and any additional training required by us. If you are developing restaurants in multiple markets that are franchised by us or our affiliates, an individual meeting the above qualifications will serve as the Development Principal in at least one market.

If you are developing Franchised Restaurants in multiple geographic markets, for all markets in which the Development Principal fails to satisfy our requirements, you must designate and retain an individual to serve as Multi-Unit Development Manager. The Multi-Unit Development Manager will be under the supervision of the Development Principal. The Multi-Unit Development Manager must devote full time and best efforts to supervising the development of the Franchised Restaurants and other restaurants that are to be operated by you that are franchised by us or our affiliates in a geographic market, successfully complete our development training, the FMTP and any additional training required by us, and be approved by us. In addition, the Multi-Unit Development Manager must maintain his/her primary residence within a reasonable driving distance of the Development Territory, unless waived in writing by us.

The Franchised Restaurant must at all times be under the on-site supervision of one of the following designated individuals who must meet our applicable training qualifications for their designated position: the Operating Principal, a Multi-Unit Manager, a restaurant General Manager, or a Site Manager. You must, at all times, employ at the Franchised Restaurant at least one General Manager and a sufficient number of employees who have successfully completed the FMTP to ensure that the Franchised Restaurant operates in accordance with the System. If the Franchised Restaurant employs at any time fewer than the required number of trained personnel who have successfully completed the FMTP, you have 30 days to hire and enroll the required number of personnel in the FMTP. If this manager ceases to be employed at the Franchised Restaurant, you have 30 days to hire a replacement and enroll him or her in the FMTP. Your managers are not required to own an equity interest in you.

If you are any type of business entity other than a sole proprietorship, we and you will identify a "Continuity Group." The members of the Continuity Group will include: **(1)** the Development Principal; **(2)** the Operating Principal; **(3)** all holders of a direct or indirect legal or beneficial interest of 10% or more

("10% Owners") in Franchisee; **(4)** if Franchisee is a limited partnership, all 10% Owners in Franchisee's general partner; and **(5)** if any 10% Owner of Franchisee is a corporation or limited liability company, all 10% Owners in the entity that is a 10% Owner of Franchisee. You must notify us of any change in the Continuity Group. Each member of the Continuity Group and their spouses, if applicable, is bound by the confidentiality and non-competition restrictions described in Item 17 and must sign a guarantee assuming and agreeing to discharge all of your obligations to us unless we, in our sole discretion, waive or modify this requirement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchised Restaurant solely for the operation of the Carl's Jr. Restaurant and must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Restaurant as we specify in the OPM or otherwise in writing.

You must meet and maintain the highest applicable public health standard and rating. You must adhere to the terms outlined in the Red Audit Policy for third-party food safety audits. You must operate the Franchised Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the OPM or otherwise in writing.

You must offer for sale and sell at the Franchised Restaurant all and only those products and services as are expressly authorized by us in the OPM or otherwise in writing. We may restrict sales of menu items to certain time periods during the day. We have the right to change the menu items, ingredients, products, materials, supplies and paper goods or the standards and specifications of each, and there are no limits on our ability to do so. You must promptly comply with the new requirements. We do not limit the customers to whom you may sell goods or services. You must offer to customers online ordering and delivery services pursuant to online ordering/delivery programs that we may from time to time establish with approved vendors and comply with our specifications regarding same.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the Development and Franchise Agreements. You should read these provisions in the agreements attached to this disclosure document.

DEVELOPMENT AGREEMENT

Provision	Section In Development Agreement	Summary
a. Length of the franchise term	Section 1.A.	The term is from date of execution of the Development Agreement to the first to occur of: the date the last Franchised Restaurant required by the development schedule opens for business; or the date the last Franchised Restaurant is required to be opened under the terms of the development schedule.
b. Renewal or extension of the term	Not Applicable	

Provision	Section In Development Agreement	Summary
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 13	We may terminate upon default, which includes, but is not limited to, remaining in default beyond any applicable cure period under any agreement with us or our affiliates, including any Franchise Agreement.
g. "Cause" defined-curable defaults	Section 13.A.(13)	You have 10 days to cure monetary defaults. You have 30 days to cure defaults other than those discussed in paragraph h. below.
h. "Cause" defined – non-curable defaults	Section 13.A.(1-12)	Non-curable defaults include: failure to obtain site acceptance on schedule; failure to open and operate the scheduled number of Franchised Restaurants; beginning construction before receipt of fully-executed Franchise Agreement; insolvency; bankruptcy; execution levied against your business or property; material breach of covenants; transfer without our prior written consent; material misrepresentation; falsification of reports; felony conviction; default beyond cure period under other agreements with us or our affiliates, any real estate or equipment lease or financing instrument relating to a Franchised Restaurant or any agreement with any vendor or supplier to a Franchised Restaurant; material breach of any representation or warranty; and default after receipt of 2 or more notices of default within 12 months.
i. Your obligations on termination/non-renewal	Section 14	Obligations include: forfeiture of right to develop; return of materials to CJR; continued observance of covenants; payment of amounts due CJR; forfeiture of Development Fee; no operation of business under any name or in any manner that suggests connection to CJR and our affiliates; and cease use of CJR materials.
j. Assignment of contract by us	Section 9	There are no restrictions on our right to assign.
k. "Transfer" by you-defined	Section 10.A.	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any direct or indirect interest in you or the Development Agreement, or any other assets pertaining to your operations under the Development Agreement.
l. Our approval of transfer by you	Sections 10.B. and 10.G.	Unless otherwise expressly permitted, you must obtain our prior written consent for any Transfer (as defined in the Development Agreement).
m. Conditions for our approval of transfer	Sections 10.B. and 10.C.	Conditions include: qualified transferee; reasonable sales price; payment of amounts due; no default on any agreement with CJR or its affiliates; no default beyond the applicable cure period under any real estate or equipment lease or financing instrument relating to the Franchised Restaurant or any agreement with any vendor or supplier to the Franchised Restaurant; signed release; completed development training programs; compliance with all obligations to us or our affiliates under transferee's and each of transferee's affiliates development and franchise agreements with us or our affiliates; payment of transfer fee; and agreements signed.

Provision	Section In Development Agreement	Summary
n. Our right of first refusal to acquire your business	Section 10.J.	CJR can match any offer for your business.
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Section 10.G.(1)(b)	Transfer to your spouse, children, parents, sibling or a member of your Continuity Group is allowed.
q. Non-competition covenants during the term of the franchise	Section 12.C.	Except with our consent - no diversion of any business or customer to any competitor; no interest in any restaurant business: (i) whose sales of Designated Entrée Items during any daypart are reasonably likely to account collectively for 20% or more of the restaurant's sales of all entrée items during that daypart, (ii) that features or promotes any Designated Entrée Item in its advertising, or (iii) that operates in a quick-service format (with or without table service), subject to state law. "Designated Entrée Items" means any hamburger sandwich, chicken sandwich, breakfast sandwich and any other entrée item of a type designated by us as part of the Carl's Jr. System at any time during the term of the Development Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.C.	No activity as described in paragraph q. above for 2 years within your Development Territory, within 2 miles of its border and within a 2-mile radius of any then-existing Carl's Jr. Restaurant, subject to state law.
s. Modification of the agreement	Section 20	No modification generally without signed agreement, but CJR may modify the Carl's Jr. System and the Development Guide.
t. Integration/merger clause	Section 20	Only the terms of the Development Agreement, the Development Guide, the documents referred to in and the attachments to the Development Agreement are binding. Any other oral or written promises related to the subject matter of the Development Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Section 22.B.	Subject to applicable state law, you can only file suit where our principal offices are located. We may file suit in the jurisdiction where our principal offices are located, where you reside or do business, where the Development Territory or any Franchised Restaurant is or was located or where the claim arose.
w. Choice of law	Section 22.A.	Subject to applicable state law, Tennessee law applies.

FRANCHISE AGREEMENT

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	20 years from the date the Franchised Restaurant opens for business.
b. Renewal or extension of the term	Section 2.B.	You can renew for a Renewal Term of 10 years or, at your option, 5 years.
c. Requirements for you to renew or extend	Section 2.B.	In order to renew at the end of the Initial Term you must: give timely notice; sign general release; comply with training requirements; be in good standing; not be in default under any agreement with us and our affiliates; not be in default beyond the cure period under any real estate or equipment lease or financing instrument relating to the Franchised Restaurant or any agreement with any vendor or supplier to the Franchised Restaurant; have the right to remain in possession of the Franchised Location for the Renewal Term; remodel in accordance with our then-current standards; and pay a renewal fee. You must also sign our then-current form of Franchise Agreement, the terms of which likely will differ from your original Franchise Agreement, including, without limitation, those relating to royalty fees and advertising obligations.
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 21	We may terminate upon default, which includes, but is not limited to, remaining in default beyond any applicable cure period under any agreement with us or our affiliates, including any Development Agreement.
g. "Cause" defined– curable defaults	Section 21.B.	You have 10 days to cure monetary defaults. You have 30 days to cure all other defaults except those discussed in paragraph h. below.
h. "Cause" defined – non-curable defaults	Sections 21.A., 21.B.(3) & 21.C.	Non-curable defaults include: closure of Franchised Restaurant for more than 5 days; insolvency; bankruptcy; execution levied on your business or property; foreclosure; material breach of covenants; transfer without our prior written consent; material misrepresentation; falsification of reports; failure to open Franchised Restaurant within 60 days after opening is authorized; imminent danger to public health or safety; loss of possession of Franchised Location; felony conviction; breach of representation or warranty; default beyond cure period under other agreements with us or our affiliates; default after receipt of 2 or more notices of default within previous 12 months; and receipt of second consecutive failing score on an inspection.
i. Your obligations on termination/nonrenewal	Section 22	Obligations include: immediately cease operating the Franchised Restaurant; payment of amounts due; return OPM; continued observance of covenants; discontinue use of Proprietary Marks; complete de-identification of the Franchised Restaurant; and upon termination based on your default, payment of future lost royalties.
j. Assignment of contract by us	Section 17	There are no restrictions on our right to assign.

Provision	Section In Franchise Agreement	Summary
k. "Transfer" by you-defined	Section 18.A.	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any direct or indirect interest in you, the Franchise Agreement, the Franchise, the Franchised Restaurant, the assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to your operations under the Franchise Agreement.
l. Our approval of transfer by you	Sections 18.B & 8.G.	Unless otherwise expressly permitted, you must obtain our prior written consent for any Transfer (as defined in the Franchise Agreement).
m. Conditions for our approval of transfer	Sections 18.B.-C.	Conditions include: transferee qualified; reasonable sales price; payment of amounts due; no default under any agreement with CJR or its affiliates; no default beyond the applicable cure period under any real estate or equipment lease or financing instrument relating to the Franchised Restaurant or agreement with any vendor or supplier to the Franchised Restaurant; signed release; transferee must complete training; compliance with all obligations to us or our affiliates under transferee's and each of transferee's affiliates development and franchise agreements with us or our affiliates; remodeling, maintenance and facility upgrades to modernize Franchised Restaurant to current image; transfer fee paid; and agreements signed.
n. Our right of first refusal to acquire your business	Section 18.J.	We or our designee can match any offer for your business.
o. Our option to purchase your business	Section 23	We can purchase some or all of your assets upon expiration or earlier termination of the Franchise Agreement at a price agreed upon or set by appraisers.
p. Your death or disability	Section 18.G.(1)(b)	Transfer to your spouse, children, parent, sibling or member of your Continuity Group is allowed.
q. Non-competition covenants during the term of the franchise	Section 20.C.	Except with our consent - no diversion of any business or customer to any competitor; no interest in any restaurant business or sale of real property to a restaurant business (i) whose sales of Designated Entrée Items during any daypart are reasonably likely to account collectively for 20% or more of the restaurant's sales of all entrée items during that daypart, (ii) that features or promotes any Designated Entrée Item in its advertising, or (iii) that operates in a quick-service format (with or without table service), subject to state law. "Designated Entrée Items" means any hamburger sandwich, chicken sandwich, breakfast sandwich and any other entrée item of a type designated by us as part of the System at any time during the term of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 20.C.;	No activity as described in paragraph q. above for 2 years within a 2-mile radius of the Franchised Location or within a 2-mile radius of any then-existing Carl's Jr. Restaurant, subject to state law.
s. Modification of the agreement	Section 29	No modification generally without signed agreement, but CJR may modify the System and the OPM.

Provision	Section In Franchise Agreement	Summary
t. Integration/merger clause	Section 29	Only the terms of the Franchise Agreement, the OPM, the documents referred to in and the attachments to the Franchise Agreement are binding. Any other oral or written promises related to the subject matter of the Franchise Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Section 31.B.	Subject to applicable state law, you can only file suit where our principal offices are located. We may file suit in the jurisdiction where our principal offices are located, where you reside or do business, where the Franchised Restaurant is or was located or where the claim arose.
w. Choice of law	Section 31.A.	Subject to applicable state law, Tennessee law applies.

NOTES

Certain states require franchisors to make additional disclosures related to the information contained in this disclosure document. These disclosures are contained in Exhibit K to this disclosure document.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-operated 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 this 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.

This financial performance representation includes two Sections. Section I of this financial performance representation shows the average revenue for certain freestanding Carl's Jr. Restaurants that were operated by our franchisees and us (as company-operated restaurants) during the entire 53 week time period of January 28, 2025 to January 26, 2026 (the "FY26 Period"). Section II of this financial performance representation shows average food and paper and labor costs as a percentage of average revenue for certain freestanding Carl's Jr. Restaurants located in California and outside of California that were operated by our franchisees and us (as company-operated restaurants) during the FY26 Period.

Section I: FY26 Average Revenue

This Section I shows the average revenue for 778 freestanding Carl's Jr. Restaurants that were operated by our franchisees and us (as company-operated restaurants) during the FY26 Period. Of the 778

freestanding Carl's Jr. Restaurants included in this financial performance representation, 50 restaurants are company-operated restaurants, and 728 restaurants are franchised restaurants.

At the end of FY26 we had 992 franchised and company-operated restaurants open and operating in the United States. Of the 164 restaurants excluded from this financial performance representation: (i) 78 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport – meaning, they do not operate from a freestanding location, (ii) 15 restaurants did not provide us with complete revenue data for the entire FY26 time period, and (iii) 71 are Dual Concept Restaurants.

Average Revenue FY26
Franchised Carl's Jr. Freestanding Restaurants[1]

Average Revenue[2]	$1,388,797
Median Revenue	$1,317,362
# Met / Exceeded Average	334
% Met / Exceeded Average	42.9%
Lowest	$468,470
Highest	$3,233,404

Average Revenue FY26
Company-Owned Carl's Jr. Freestanding Restaurants[1]

Average Revenue[2]	$2,244,810
Median Revenue	$2,140,468
# Met / Exceeded Average	20
% Met / Exceeded Average	40.0%
Lowest	$1,369,857
Highest	$4,255,595

Section I Table Notes

1. Freestanding Restaurants. The restaurants included in this financial performance representation are all freestanding Carl's Jr. Restaurants located in the United States. A Carl's Jr. restaurant is considered "freestanding" if it is located in a single tenant building, not attached to any other structures. This financial performance representation does not include information for Dual Concept Restaurants or Carl's Jr. restaurants operated from travel plazas, gas and convenience stores, colleges and universities, and airports. Further, Carl's Jr. restaurants located outside the United States are not included in this financial performance representation.

2. Revenue. Revenue includes all revenue from the sale of all services and products (except CJR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Revenue does not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.

Section II: FY26 Average Financial Performance

This Section II shows the average revenue and labor, food and paper costs as a percentage of average revenue for: (i) our California-based freestanding Carl's Jr. Restaurants operated by our franchisees and us (as company-operated restaurants); and (ii) our freestanding Carl's Jr. Restaurants located outside of California operated by our franchisees.

California Freestanding Restaurants

At the end of FY26 we had a total of 618 franchised and company-operated restaurants open and operating in California. The average financial performance information included in the tables below reflects results for 517 freestanding Carl's Jr. Restaurants operated in California by our franchisees and us (as company-operated restaurants) during FY26. Of the 517 California freestanding restaurants included in the tables below, 50 restaurants are company-operated restaurants, and 467 restaurants are franchised restaurants. Of the 101 restaurants excluded from this financial performance representation: (i) 15 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport located in California– meaning, they do not operate from a freestanding location, (ii) 17 restaurants did not provide us with complete revenue, cost and expense data for the entire FY26 time period, and (iii) 69 are Dual Concept Restaurants.

FY26 Financial Performance Results
California Franchised Carl's Jr. Freestanding Restaurants[1]

Average Revenue[2]	$1,418,935
Median Revenue	$1,352,088
# Met / Exceeded Average	207
% Met / Exceeded Average	44%
Lowest	$630,973
Highest	$3,227,326
Average Food & Paper Costs[3]	22.4%
Median Food & Paper Costs	22.6%
# Met / Exceeded Average Food & Paper Costs	228

% Met / Exceeded Average Food & Paper Costs	49%
Average Direct Labor Costs[4]	27.4%
Median Direct Labor Costs	27.7%
# Met / Exceeded Average Direct Labor Costs	225
% Met / Exceeded Average Direct Labor Costs	48%
Average Incentive Labor Costs[5]	5.8%
Median Incentive Labor Costs	5.2%
# Met / Exceeded Average Incentive Labor Costs	267
% Met / Exceeded Average Incentive Labor Costs	57%

FY26 Financial Performance Results
California Company-Owned Carl's Jr. Freestanding Restaurants[1]

Average Revenue[2]	$2,245,055
Median Revenue	$2,144,360
# Met / Exceeded Average	20
% Met / Exceeded Average	40%
Lowest	$1,375,834
Highest	$4,276,440
Average Food & Paper Costs[3]	24.9%
Median Food & Paper Costs	24.9%
# Met / Exceeded Average Food & Paper Costs	28
% Met / Exceeded Average Food & Paper Costs	56%
Average Direct Labor Costs[4]	29.3%

Median Direct Labor Costs	29.1%
# Met / Exceeded Average Direct Labor Costs	31
% Met / Exceeded Average Direct Labor Costs	62%
Average Incentive Labor Costs[5]	5.2%
Median Incentive Labor Costs	5.1%
# Met / Exceeded Average Incentive Labor Costs	30
% Met / Exceeded Average Incentive Labor Costs	60%

Non-California Freestanding Restaurants

At the end of FY26 we had a total of 374 franchised restaurants open and operating outside California. The average financial performance information included in the table below reflects results for 298 freestanding Carl's Jr. Restaurants that were operated outside of California by our franchisees. Of the 76 restaurants excluded from this financial performance representation: (i) 54 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport located in California– meaning, they do not operate from a freestanding location, (ii) 21 restaurants did not provide us with complete revenue, cost and expense data for the entire FY26 time period, and (iii) 1 are Dual Concept Restaurants.

FY26 Financial Performance Results
Non-California Franchised Carl's Jr. Freestanding Restaurants[1]

Average Revenue[2]	$1,347,060
Median Revenue	$1,223,571
# Met / Exceeded Average	118
% Met / Exceeded Average	40%
Lowest	$477,605
Highest	$3,229,205
Average Food & Paper Costs[3]	26.1%
Median Food & Paper Costs	26.0%

# Met / Exceeded Average Food & Paper Costs	163
% Met / Exceeded Average Food & Paper Costs	55%
Average Direct Labor Costs[4]	26.3%
Median Direct Labor Costs	25.9%
# Met / Exceeded Average Direct Labor Costs	163
% Met / Exceeded Average Direct Labor Costs	298
Average Incentive Labor Costs[5]	5.9%
Median Incentive Labor Costs	5.7%
# Met / Exceeded Average Incentive Labor Costs	166
% Met / Exceeded Average Incentive Labor Costs	56%

Section II Table Notes

1. Freestanding Restaurants. The restaurants included in this financial performance representation are all freestanding Carl's Jr. Restaurants located in the United States. A Carl's Jr. restaurant is considered "freestanding" if it is located in a single tenant building, not attached to any other structures. This financial performance representation does not include information for Dual Concept Restaurants or Carl's Jr. restaurants operated from travel plazas, gas and convenience stores, colleges and universities, and airports. Further, Carl's Jr. restaurants located outside the United States are not included in this financial performance representation.

2. Revenue. Revenue includes all revenue from the sale of all services and products (except CJR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Revenue does not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.

3. Food and Paper Costs. Includes all food and paper costs, less any supplier rebates.

4. Direct Labor Costs. Direct labor costs include wages paid to hourly employees working in franchised and company-operated restaurants and the value of employer and payroll taxes.

5. Indirect Labor Costs. Indirect Labor Costs include wages paid to management employees working in franchised and company-operated restaurants and the value of associated benefits including, but not limited to, employer and payroll taxes, workers' compensation and expenses for vacation and health insurance. Indirect Labor Costs do not include labor costs for employees above the restaurant level – e.g., district managers.

* * *

Some restaurants have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation of the financial performance representation will be made available to you upon reasonable request. However, we will disclose the identity, revenue or other items of income or expense of any particular Company-Operated Restaurant only in connection with the sale of that Company-Operated Restaurant.

You are responsible for developing your own business plan for your franchised restaurant, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business and legal advisors and to make necessary allowances for changes in financial results to income, expenses or both. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees or former franchisees listed in the disclosure document may be one source of this information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kerry Olson, Chief People and Legal Officer, 6700 Tower Circle, Suite 1000, Franklin, TN 37067, (615) 538-9260, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Restaurant Summary
For Fiscal Years 2024-2026[(1)]

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Franchised	2024	1020	1014	-6
	2025	1014	982	-32
	2026	982	942	-40
Company-Operated	2024	49	49	0
	2025	49	50	+1
	2026	50	50	0

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Total Outlets	2024	1069	1063	-6
	2025	1063	1032	-31
	2026	1032	992	-40

Systemwide Dual Concept Restaurant Summary*
For Fiscal Years 2024-2026[(1)] [(2)]

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Franchised	2024	269	262	-7
	2025	262	107	-155
	2026	107	85	-22
Company-Operated	2024	0	0	0
	2025	0	0	0
	2026	0	0	0
Total Outlets	2024	269	262	-7
	2025	262	107	-155
	2026	107	85	-22

*The Restaurants included in this table are also included in the preceding table.

Table No. 2
Transfers of Restaurants from Franchisees to New Owners
(Other than to CJR, Its Predecessor or Their Affiliates)
For Fiscal Years 2024-2026[(1)]

State	Year	Number of Transfers
AZ	2024	3
	2025	0
	2026	0
CA	2024	10
	2025	0
	2026	2
CO	2024	0
	2025	7
	2026	0

State	Year	Number of Transfers
NV	2024	6
	2025	0
	2026	0
NM	2024	3
	2025	0
	2026	0
OR	2024	0
	2025	0
	2026	3
TX	2024	11
	2025	2
	2026	0
WA	2024	0
	2025	2
	2026	0
WY	2024	0
	2025	1
	2026	0
TOTAL	2024	33
	2025	12
	2026	5

Transfers of Dual Concept Restaurants from Franchisees to New Owners (Other than to CJR, Its Predecessor or Their Affiliates) For Fiscal Years 2024-2026[(1) (2) *]

State	Year	Number of Transfers
TOTAL	2024	0
	2025	0
	2026	0

*The Restaurants included in this table are also included in the preceding table.

Table No. 3
Status of Franchised Restaurants
For Fiscal Years 2024-2026[(1) (2)]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year
AK	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
	2026	4	0	0	0	0	0	4
AZ	2024	70	3	0	0	0	0	73
	2025	73	2	0	1	0	1	73
	2026	73	0	0	0	0	3	70
CA	2024	613	2	0	1	1	8	605
	2025	605	1	0	3	1	14	588
	2026	588	1	1	0	0	20	568
CO	2024	45	2	0	0	0	0	47
	2025	47	1	0	0	0	0	48
	2026	48	2	0	0	0	3	47
FL	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
	2026	0	0	1	0	0	0	0
HI	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
	2026	2	0	0	0	0	0	2
ID	2024	20	0	0	0	0	1	19
	2025	19	0	0	0	0	1	18
	2026	18	0	0	0	0	2	16
LA	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
	2026	1	0	0	0	0	0	1
NV	2024	43	1	0	0	0	0	44
	2025	44	0	0	0	0	3	41
	2026	41	2	0	0	0	5	38
NM	2024	16	0	0	0	0	0	16
	2025	16	0	0	0	0	1	15
	2026	15	0	0	0	0	2	13

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year
OK	2024	38	0	0	0	0	2	36
	2025	36	0	0	0	0	9	27
	2026	27	0	0	0	0	2	25
OR	2024	58	0	0	0	0	0	58
	2025	58	0	0	0	0	0	58
	2026	58	0	0	0	0	0	58
TX	2024	32	0	1	0	0	1	30
	2025	30	0	0	0	0	0	30
	2026	30	0	0	0	0	2	28
UT	2024	42	0	0	0	0	0	42
	2025	42	0	0	0	0	3	39
	2026	39	0	0	0	0	2	37
WA	2024	34	0	0	0	0	0	34
	2025	34	2	0	0	0	2	34
	2026	34	0	0	0	0	2	32
WY	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
	2026	3	0	0	0	0	0	3
TOTAL	2024	1020	9	1	1	1	12	1014
	2025	1014	7	0	4	1	34	982
	2026	982	5	2	0	0	43	942

Status of Franchised Dual Concept Restaurants For Fiscal Years 2024-2026[(1) (2) *]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year
AZ	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	14	0
	2026	0	0	0	0	0	0	0
CA	2024	218	0	0	0	0	3	215
	2025	215	0	0	0	0	113	102
	2026	102	0	0	0	0	21	81

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year
CO	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
	2026	3	0	0	0	0	1	2
HI	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
	2026	1	0	0	0	0	0	1
ID	2024	11	0	0	0	0	2	9
	2025	9	0	0	0	0	9	0
	2026	0	0	0	0	0	0	0
OK	2024	11	0	0	0	0	1	10
	2025	10	0	0	0	0	10	0
	2026	0	0	0	0	0	0	0
OR	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
	2026	0	0	0	0	0	0	0
TX	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
	2026	0	0	0	0	0	0	0
UT	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	1	0
	2026	0	0	0	0	0	0	0
WA	2024	9	0	0	0	0	0	9
	2025	9	0	0	0	0	8	1
	2026	1	0	0	0	0	0	1
TOTAL	2024	269	0	0	0	0	7	262
	2025	262	0	0	0	0	155	107
	2026	107	0	0	0	0	22	85

*The Restaurants included in this table are also included in the previous table.

Table No. 4
Status of Company-Operated Restaurants
For Fiscal Years 2024-2026[(1) (2)]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Restaurants Reacquired from Franchisees	Restaurants Closed	Restaurants Sold to Franchisees	Restaurants at End of the Year
CA	2024	49	0	0	0	0	49
	2025	49	0	1	0	0	50
	2026	50	0	0	0	0	50
TOTAL	2024	49	0	0	0	0	49
	2025	49	0	1	0	0	50
	2026	50	0	0	0	0	50

Status of Company-Operated Dual Concept Restaurants
For Fiscal Years 2024-2026[(1) (2)] *

State	Year	Restaurants at Start of the Year	Restaurants Opened	Restaurants Reacquired From Franchisees	Restaurants Closed	Restaurants Sold to Franchisees	Restaurants at End of the Year
TOTAL (4)	**2024**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**
	2026	**0**	**0**	**0**	**0**	**0**	**0**

*The Restaurants included in this table are also included in the previous table.

Table No. 5
Projected Openings of Carl's Jr. Restaurants
As of January 26, 2026

State	Franchise Agreements Signed But Restaurant Not Opened	Projected New Franchised Restaurants In Next Fiscal Year	Projected New Company-Operated Restaurants In Next Fiscal Year
Arizona	**0**	**0**	**0**
California	**1**	**0**	**0**
Colorado	**0**	**0**	**0**
Florida	**0**	**0**	**0**
Nevada	**0**	**0**	**0**
Washington	**0**	**0**	**0**
Total	**1**	**0**	**0**

NOTES

(1) The numbers for 2024 through 2026 are as of our fiscal year end. Our fiscal year runs from the Tuesday subsequent to the last Monday in January through the last Monday in January of the next calendar year.

(2) If multiple events occurred affecting a Dual Concept Restaurant, this table shows the event that occurred last in time.

During the last three fiscal years, we have signed confidentiality clauses with current or former franchisees that may restrict them from speaking openly with you about their experiences with us or our predecessor. 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.

Attached as Exhibit H is a list of the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of the Carl's Jr. franchisees that had a franchised restaurant terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement, including in connection with a transfer, during the fiscal year ended January 26, 2026; or failed to communicate with our predecessor within 10 weeks of the application date of this disclosure document. Franchised Dual Concept Restaurants are indicated in Exhibit I. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Attached as Exhibit I is a list of the addresses and telephone numbers of all Carl's Jr. and Dual Concept franchised locations and the name of the franchisee for each franchised location as of January 26, 2026.

* * *

The Star Franchise Association ("SFA") is an independent organization comprised of over 75 Carl's Jr. and Dual Concept franchisees representing over 900 Carl's Jr. and Dual Concept Restaurants in the Western United States. SFA's office is located at 1237 S Victoria Ave #292 Oxnard, CA 93035. You may contact SFA's coordinator, Calina Borja, via telephone ((866) 655-4900), email (calina@starfran.com)). SFA's website is www.starfran.com.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit J are the audited combined consolidated financial statements of the Securitization Entities (Carl's Jr. Restaurants LLC, Carl's Jr. SPV Guarantor LLC, Carl's Jr. Funding LLC, Hardee's Restaurants LLC, Hardee's SPV Guarantor LLC and Hardee's Funding LLC), which comprise (1) the combined consolidated balance sheets as of January 26, 2026 and January 27, 2025, and the related combined consolidated statements of income, members' deficit, and cash flows for the fiscal years then ended, and the related notes to the combined consolidated financial statements; and (2) the combined consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related combined consolidated statements of income, members' deficit, and cash flows for the fiscal years then ended, and the related notes to the combined consolidated financial statements. Each of the CKE Securitization Entities (other than CJR) has agreed absolutely and unconditionally to guarantee to assume our duties and obligations under the franchise agreements entered into by us, should we become unable to perform our duties and obligations. A copy of those guarantees are attached as part of Exhibit J to this disclosure document.

Also attached as Exhibit J are the audited consolidated financial statements for CJR's indirect corporate parent, CKE Restaurants Holdings, Inc. ("CKR") (formerly known as CKE Restaurants, Inc.), which comprise (1) consolidated balance sheets as of January 26, 2026 and January 27, 2025, and the related

consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements; and (2) consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements. As noted in Item 1, CKR will be providing required support and services to franchisees under a Management Agreement with us. CKR's financial statements are being provided for disclosure purposes only. CKR is not a party to any agreement that we sign with franchisees, nor does CKR guarantee our obligations under any agreement that we sign with franchisees.

ITEM 22
CONTRACTS

The following agreements related to a Franchised Restaurant are attached as exhibits to this disclosure document:

Exhibit C	Development Agreement
Exhibit D	Franchise Agreement (including Guarantee and Assumption, Franchise Information (Appendix A), Weekly Royalty Fee (Appendix B), Franchisee's Advertising and Promotion Obligation (Appendix C), Ownership Interests (Appendix D), Acknowledgement Addendum (Appendix E), Commencement Date Agreement (Appendix F), Lease Addendum (Appendix G), ACH Authorization Form (Appendix H), and Star University License Agreement (Appendix I)
Exhibit E	Preliminary Agreement
Exhibit F	Confidentiality Agreement
Exhibit G-1	Software Support Agreement for PAR Brink/Genius and CrunchTime
Exhibit G-2	OLO Authorized Operator Agreement
Exhibit L	Development Incentive Program Addendum to Franchise Agreement
Exhibit M	Renewal Addendum
Exhibit N	Sublease

ITEM 23
RECEIPTS

The last two pages of this disclosure document are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document and return one copy to us.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California:

Commissioner
Department of Financial Protection & Innovation
1-866-275-2677

Los Angeles:

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento:

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205

San Diego:

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco:

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

Hawaii:

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
King Kalakaua Building
335 Merchant Street
Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois:

Illinois Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana:

Alex Glass Securities
Commissioner Indiana
Securities Division
Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan:

Attn: Franchise Section
Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
G. Mennen Williams Bldg., 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota:

Commissioner
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York:

Office of the Attorney General
New York State
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota:

North Dakota Securities Department
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:

Department of Business Regulation
Division of Banking and Securities
1511 Pontiac Avenue
John O. Pastore Complex–Bldg. 68-2
Cranston, RI 02920
(401) 462-9500

South Dakota:

Franchise Administrator
Department of Labor and Regulation
Division of Insurance-
Securities Regulation
124 S. Euclid, 2nd Floor
Pierre, SD 57501
(605) 773-3563

Virginia:

State Corporation Commission
Division of Securities &
Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington:

Securities Division
Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Administrator
Department of Financial
Institutions
201 W. Washington Avenue
Madison, WI 53703
(608) 266-8557

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

CJR AGENTS FOR SERVICE OF PROCESS

Arizona:

Corporation Service Company
8825 N 23rd Avenue, Suite 100
Phoenix, AZ 85021

California:

Commissioner
Department of Financial Protection & Innovation:

Los Angeles
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Sacramento
2101 Arena Blvd.
Sacramento, CA 95834

San Diego
1350 Front Street, Room 2034
San Diego, CA 92101-3697

San Francisco
One Sansome Street, Suite 600
San Francisco, CA 94104

Delaware:

Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

Hawaii:

Commissioner of Securities
Dep't of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street
Room 203
Honolulu, Hawaii 96813

CSC Services of Hawaii, Inc.
1003 Bishop Street
Suite 1600 Pauahi Tower
Honolulu, HI 96813

Idaho:

Corporation Service Company
12550 W. Explorer Drive, Suite 100
Boise, ID 83713

Indiana:

Indiana Secretary of State
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Minnesota:

Minnesota Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New Mexico:

Corporation Service Company
MC-CSC1
726 E. Michigan, Dr., Suite 101
Hobbs, NM 88240

New York:

Secretary of State
New York State Department of State
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231

North Dakota:

North Dakota Securities Commissioner
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505

Oregon:

Corporation Service Company
1127 Broadway Street NE, Suite 310
Salem, OR 97301

South Dakota:

Director, Division of Insurance
Department of Labor and Regulation

124 S. Euclid, Suite 104
Pierre, SD 57501

Texas:

Corporation Service Company d/b/a
CSC - Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, TX 78701-3218

Utah:

Corporation Service Company
15 West South Temple, Suite 1701
Salt Lake City, Utah 84101

Washington:

Director of Securities
Securities Division
Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501

Corporation Service Company
300 Deschutes Way SW, Suite 304
Tumwater, WA 98501

Wisconsin:

Wisconsin Commissioner of Securities
Department of Financial Institutions
Division of Securities
201 W. Washington Ave., Suite 300
Madison, WI 53703

EXHIBIT C

DEVELOPMENT AGREEMENT

CARL'S JR. RESTAURANT DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

Page

1. GRANT OF DEVELOPMENT RIGHTS....2
2. LIMITED EXCLUSIVE RIGHTS....2
3. DEVELOPMENT SCHEDULE....3
4. DEVELOPMENT FEE....4
5. DEVELOPMENT PROCEDURES....4
6. DEVELOPMENT GUIDE....6
7. INSURANCE....6
8. ORGANIZATION OF DEVELOPER....7
9. TRANSFERS BY CJR....12
10. TRANSFERS BY DEVELOPER....12
11. GENERAL RELEASE....16
12. COVENANTS....17
13. TERMINATION....19
14. OBLIGATIONS ON TERMINATION OR EXPIRATION....21
15. RELATIONSHIP OF THE PARTIES....22
16. INDEMNIFICATION....22
17. CONSENTS, APPROVALS AND WAIVERS....23
18. NOTICES....23
19. FORCE MAJEURE....23
20. ENTIRE AGREEMENT....24
21. SEVERABILITY AND CONSTRUCTION....24
22. GOVERNING LAW, FORUM AND LIMITATIONS....25
23. MISCELLANEOUS....26

GUARANTEE AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS
APPENDIX A DEVELOPMENT TERRITORY
APPENDIX B DEVELOPMENT INFORMATION
APPENDIX C OWNERSHIP INTERESTS
APPENDIX D LEASE ADDENDUM

CARL'S JR. RESTAURANT DEVELOPMENT AGREEMENT

THIS AGREEMENT is made as of _____ by and between Carl's Jr. Restaurants LLC ("CJR"), a Delaware limited liability company, and _____ ("Developer").

RECITALS:

A. As a result of the expenditure of time, skill, effort and money, CJR and its predecessor have developed, and CJR owns, a unique and distinctive system ("Carl's Jr. System") relating to the development, establishment and operation of quick service restaurants ("Carl's Jr. Restaurants").

B. The Carl's Jr. System is identified by means of certain trade names, trademarks, service marks, trade dress, logos, insignias, slogans, emblems, symbols, designs, and any combination thereof or any other indicia of source (collectively "Proprietary Marks") which CJR owns and which CJR has designated or may in the future designate for use with the Carl's Jr. System. The Proprietary Marks used to identify the Carl's Jr. System, including the principal Proprietary Marks, may be modified by CJR from time to time.

C. CJR continues to develop, use and control the use of these Proprietary Marks in order to identify for the public the source of services and products marketed under the Proprietary Marks, the Carl's Jr. System, and to represent the Carl's Jr. System's high standards of quality, appearance and service.

D. Developer desires to be granted the opportunity, subject to the terms and conditions of this Agreement, to develop franchised Carl's Jr. Restaurants ("Franchised Restaurant(s)") in the limited geographic area described in attached Appendix A ("Development Territory").

E. Developer understands and acknowledges the importance of CJR's high and uniform standards of quality, operations and service and the necessity of developing Franchised Restaurants in strict conformity with this Agreement and the Development Guide.

F. CJR is willing to grant Developer the opportunity to develop Franchised Restaurants in the Development Territory, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of CJR's grant to Developer of the right to develop Franchised Restaurants in the Development Territory during the term of this Agreement ("Development Term"), as well as the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

A. Grant

CJR hereby grants to Developer, subject to the terms, conditions, provisions and limitations of this Agreement, the right to develop Franchised Restaurants in the Development Territory during the Development Term. The Development Term begins on the date this Agreement is signed by CJR and terminates on the first to occur of: **(1)** the date that the last Franchised Restaurant required by the Development Schedule in attached Appendix B opens for business; or **(2)** the date that the last Franchised Restaurant was required to be opened pursuant to the Development Schedule. There is no renewal term for this Agreement. Each Franchised Restaurant shall be located in the Development Territory at a specific location accepted by CJR.

B. Development Rights Only

This Agreement is not a license or a franchise agreement. It does not give Developer the right to operate Franchised Restaurants or use the Carl's Jr. System. In addition, this Agreement does not give Developer any right to license others to operate Franchised Restaurants or use the Carl's Jr. System. This Agreement only gives Developer the opportunity to enter into Franchise Agreements for the operation of Franchised Restaurants at locations in the Development Territory accepted by CJR. Each Franchised Restaurant developed pursuant to this Agreement shall be established and operated only in strict accordance with a separate Franchise Agreement.

C. Forms of Agreement

Developer acknowledges that, over time, CJR has entered, and will continue to enter, into agreements with other developers and franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that CJR and other developers and franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2. LIMITED EXCLUSIVE RIGHTS

The Carl's Jr. System (including the products sold under the Proprietary Marks) have been developed, and are designed, to function effectively in a wide variety of retail environments, many of which are not practically available to Developer. Accordingly, CJR reserves to itself the rights to: **(A)** operate and license others to operate Carl's Jr. Restaurants in the Development Territory that are located in travel plazas, gas stations or convenience stores; **(B)** operate and license others to operate Carl's Jr. Restaurants in the Development Territory that are located in airports, train stations, bus stations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos, "ghost" or "dark" kitchens or any similar captive or non-traditional "brick and mortar" locations (collectively, Captive Market Locations"); **(C)** award national or regional licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark; **(D)** develop and operate, and license others to develop and operate, restaurants other than Carl's Jr. Restaurants in the Development Territory; **(E)** merchandise and distribute products identified by some or all of the Proprietary Marks in the Development Territory through any other method or channel of distribution; and **(F)** sell and distribute products identified by some or all of the Proprietary Marks in the Development Territory to restaurants other than Carl's Jr. Restaurants, provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales.

Except as reserved in the preceding paragraph, CJR will not, during the Development Term, operate or license others to operate Carl's Jr. Restaurants in the Development Territory, provided Developer is in compliance with the terms of this Agreement and any other agreements with CJR or its affiliates and is current on all obligations due CJR and its affiliates. This Section 2 does not prohibit CJR or its affiliates from: **(1)** operating and licensing others to operate, during the Development Term, Carl's Jr. Restaurants at any location outside of the Development Territory; **(2)** operating and licensing others to operate, after this Agreement terminates or expires, Carl's Jr. Restaurants at any location, including in the Development Territory; and **(3)** operating and licensing others to operate at any location, during or after the Development Term, any type of restaurant other than a Carl's Jr. Restaurant.

The restrictions contained in this Section 2 apply only to CJR and do not apply to Carl's Jr. Restaurants under development or in operation in the Development Territory as of the date of this Agreement. Nothing shall prohibit CJR or its affiliates from operating or licensing a restaurant at any location in or outside the Development Territory, other than a restaurant in the Development Territory that primarily is identified by the name and mark "Carl's Jr."

3. DEVELOPMENT SCHEDULE

A. During the Development Term, Developer shall develop, open and continuously operate in the Development Territory the number of Franchised Restaurants specified in the Development Schedule in attached Appendix B. For each Franchised Restaurant to be developed during the Development Term, Developer shall first obtain CJR's written acceptance of the site. No later than 9 months after CJR's written acceptance of the site, Developer shall deliver to CJR a fully-signed lease or sublease for the Authorized Site (defined below) or proof of Developer's purchase of such site. The effective date of the lease or sublease, or the closing day of the purchase of the real property, shall be the "Property Control Date". Developer shall open the Franchised Restaurant no later than the Opening Date set forth in Appendix B. Strict compliance with the Development Schedule is essential to this Agreement. Any failure by Developer in fulfilling its obligations to develop and open any Franchised Restaurant when required by the Development Schedule or to obtain site acceptance by the date specified in the Development Schedule shall constitute a material, non-curable breach of this Agreement permitting CJR immediately to terminate this Agreement by giving written notice of termination to Developer. **Time is of the essence**.

B. Developer, as requested by CJR, shall prepare a development plan for the Development Territory. Among other things, the development plan may identify specific markets or trade areas in the Development Territory in which Developer will develop Franchised Restaurants, the number and type of Franchised Restaurants to be developed and the time periods in which Developer will develop Franchised Restaurants in each market or trade area. If prepared, any failure by Developer to timely comply with the development plan or any material aspect of the development plan shall constitute a material, non-curable breach of this Agreement, permitting CJR to terminate this Agreement immediately by giving written notice of termination to Developer.

C. The Initial Franchise Fee for each Franchised Restaurant required to be developed under this Agreement is $25,000.

D. If, during the Development Term, Developer sells a Franchised Restaurant that was developed pursuant to this Agreement, that Franchised Restaurant will continue to be counted as a Franchised Restaurant for the purpose of meeting Developer's obligations under the Development Schedule, provided that the sale has been consented to by CJR and only so long as that restaurant continues to be operated pursuant to a franchise agreement with CJR or its affiliates.

E. At Developer's request, CJR will permit the Franchise Agreement for any Franchised Restaurant in the Development Territory to be executed by a business entity formed by Developer to develop and operate the Franchised Restaurant ("Affiliated Entity"), provided all of the following conditions are met: **(1)** Developer, the Development Principal (defined in Section 8.F.) or Developer's Continuity Group (defined in Section 8.D.) owns at least 51% of all ownership interests in the Affiliated Entity; **(2)** the Affiliated Entity conducts no business other than the operation of the Franchised Restaurant; **(3)** Developer, the Development Principal, the members of Developer's Continuity Group and all holders of a legal or beneficial interest of 10% or more in Developer or, if Developer is a limited partnership, in Developer's general partner ("10% Owner(s)") agree to assume full and unconditional liability for and agree to perform all obligations, covenants and agreements contained in the Franchise Agreement; and **(4)** all owners of the Affiliated Entity possess a good moral character and meet CJR's standards, as determined by CJR in its sole discretion, and Developer provides CJR all reasonably requested information to permit CJR to make such a determination.

4. DEVELOPMENT FEE

Developer shall pay CJR, at the time this Agreement is signed, a development fee equal to $10,000 for each Franchised Restaurant Developer has agreed to develop in the Development Territory during the Development Term ("Development Fee"). The total amount of the Development Fee paid by Developer is set forth in Appendix B. Developer acknowledges and agrees that the Development Fee is fully earned by CJR when paid and it is not refundable. Upon the execution of each Franchise Agreement for each Franchised Restaurant Developer has agreed to develop pursuant to this Agreement, the applicable Development Fee of $10,000 will be credited against the full Initial Franchise Fee due CJR upon the execution of such Franchise Agreement.

5. DEVELOPMENT PROCEDURES

A. Developer's Responsibility and Business Plan

Developer assumes all cost, liability and expense for locating, obtaining and developing sites for Franchised Restaurants and constructing and equipping Franchised Restaurants in accordance with CJR's standards at accepted sites. Developer shall not make any binding commitments to purchase or lease a site until the site has been accepted in writing by CJR.

If requested by CJR, Developer shall develop and submit to CJR a business plan for the length of the Development Term. The business plan shall outline the actions that Developer will take to ensure the development and management of the Franchised Restaurants in accordance with CJR's standards. If prepared during the Development Term, Developer agrees to revise the business plan as requested by CJR and further agrees to implement that business plan as approved by CJR.

B. Site Selection Assistance

CJR will provide Developer with the following site selection assistance: **(1)** CJR's site selection guidelines, and, as Developer may request, a reasonable amount of consultation with respect thereto; and **(2)** such site evaluation as CJR may deem advisable as part of its evaluation of Developer's request for site acceptance. Developer agrees that CJR will incur no liability to Developer for site selection assistance provided by CJR. Developer is solely responsible for conducting all such due diligence, investigation and validation with its own third party advisors with respect to a proposed site. CJR's consent to a proposed site is simply for purposes of confirming that the site meets CJR's then-current site selection criteria.

C. Franchise Site Application

For each proposed site for a Franchised Restaurant, Developer shall, if requested by CJR, submit to CJR a Franchise Site Application. In addition, Developer shall submit a development proposal (containing that information as CJR may reasonably require) for a proposed site which Developer reasonably believes to conform to site selection criteria CJR establishes from time to time for demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses (including restaurants operated or franchised by CJR or its affiliates), the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises.

Developer acknowledges that, in order to preserve and enhance the reputation and goodwill of all restaurants franchised by CJR and the goodwill of the Proprietary Marks, all Franchised Restaurants must be properly developed, operated and maintained. Accordingly, Developer agrees that CJR may refuse to accept a site for a proposed Franchised Restaurant unless Developer demonstrates sufficient financial capabilities, in CJR's sole judgment, applying standards consistent with criteria CJR uses to establish restaurants in other comparable market areas, to properly develop, operate and maintain the proposed Franchised Restaurant. To this end, Developer shall furnish CJR with such financial statements and other information regarding Developer (or its Affiliated Entity, as defined in Section 3.E.) and the development and operation of the proposed Franchised Restaurant, including, without limitation, investment and financing plans for the proposed Franchised Restaurant, as CJR reasonably may require.

D. Site Acceptance

Within 45 days after receipt of all documents referenced in this Section and any additional information that CJR may require, CJR shall advise Developer in writing whether it has accepted a particular site; however, CJR has no obligation to review any development proposal if Developer or its affiliates are not in full compliance with all agreements with CJR or its affiliates and not approved for growth by CJR. If CJR does not respond within that time period, CJR shall be deemed not to have accepted the site. CJR's acceptance or refusal to accept a site may be subject to reasonable conditions as determined in its sole discretion. (A site which CJR has accepted shall be referred to as an "Authorized Site.")

CJR's acceptance of one or more sites is not a representation or a promise by CJR that a Franchised Restaurant at an Authorized Site will achieve a certain sales volume or a certain level of profitability. Similarly, CJR's acceptance of one or more sites and its refusal to accept other sites is not a representation or a promise that an Authorized Site will have a higher sales volume or be more profitable than a site which CJR did not accept. Acceptance by CJR merely means that the minimum criteria which CJR has established for identifying suitable sites for proposed Carl's Jr. Restaurants have been met. Because real estate development is an art and not a precise science, Developer agrees that acceptance, or refusal to accept a proposed site by CJR, whether or not a site report is completed and/or submitted to CJR shall not impose any liability or obligation on CJR. The decision to accept or reject a particular site is Developer's, subject to acceptance by CJR. Preliminary acceptance of a proposed site by any representative of CJR is not conclusive or binding, because his or her recommendation may be rejected by CJR.

CJR assumes no liability or responsibility for: (1) evaluation of an Authorized Site's soil for hazardous substances; (2) inspection of any structure on the Authorized Site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("ADA"); or (4) compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or

assurances that the Authorized Site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

E. Execution of Agreements

Following CJR's acceptance of each proposed site and Developer's submission to CJR of a signed lease or sublease for the proposed site, or evidence that Developer has completed its purchase of the proposed site by the Property Control Date, CJR will prepare and forward to Developer a Franchise Agreement for the Authorized Site. The form of Franchise Agreement for each Franchised Restaurant to be developed by Developer pursuant to this Agreement shall be the applicable then-current standard form in general use at the time of CJR's acceptance of the applicable Authorized Site. Developer shall execute and return the Franchise Agreement to CJR, along with the Initial Franchise Fee, within 10 days after receipt by Developer, and, following receipt by CJR, CJR shall execute the Franchise Agreement and return a fully-executed original of the Franchise Agreement to Developer. Developer may not commence construction at the Authorized Site prior to its receipt of a fully-executed Franchise Agreement and its payment to CJR of the Initial Franchise Fee.

F. Development Training

Developer shall complete, to CJR's satisfaction, any development training required by CJR. Developer shall pay CJR, for each person attending development training, a tuition fee as established by CJR from time to time. Developer also may attend optional development training as offered by CJR from time to time, subject to payment of a tuition fee as established by CJR from time to time. Developer will be required to pay all travel, living and other expenses incurred by Developer and its employees while attending development training and optional development training.

G. Delegation

CJR has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, including, but not limited to CJR's corporate parents, affiliates or agents or independent contractors with which CJR has contracted to perform CJR's obligations or duties.

6. DEVELOPMENT GUIDE

CJR will provide to Developer for the Development Term one copy of, or provide electronic access to, the Development Guide. The Development Guide contains mandatory specifications and standards relating to construction of Franchised Restaurants and information relating to Developer's other obligations under this Agreement. Developer agrees to comply fully with these obligations and mandatory specifications. The Development Guide may be supplemented or amended from time to time by letter, email, bulletin, construction standards manuals, software or other communications concerning the Carl's Jr. System to reflect changes in the image, specifications and standards relating to the development and construction of a Carl's Jr. Restaurant. Supplements or amendments to the Development Guide also may contain, among other matters, minimum standards and requirements for constructing, equipping and furnishing a Carl's Jr. Restaurant. CJR reserves the right to furnish all or part of the Development Guide to Developer in electronic form or online (including by Intranet) and establish terms of use for access to any restricted portion of CJR's web site. Developer shall keep its copy of the Development Guide current and up-to-date with all additions and deletions provided by CJR and shall purchase whatever equipment and related services (including, without limitation, a computer system, Internet service, dedicated phone line, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Development Guide develops, the master copy maintained by CJR at its principal offices shall control.

7. INSURANCE

Developer shall be responsible for all loss or damage arising from or related to Developer's development and operation of the Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Restaurant. Developer shall, at its sole expense, maintain in full force and effect throughout the term of this Agreement that insurance which Developer determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by this Section 7.B. CJR, and any entity with an insurable interest designated by CJR, shall be an additional insured in such liability policies, except for workers' compensation/employer's liability, and loss payee for property to the extent each has an insurable interest.

All insurance policies shall be written by an insurance company or companies satisfactory to CJR, in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to Developer in writing. These policies shall include, at a minimum, the following:

(1) Commercial General Liability insurance with policy limits not less than $5,000,000 per occurrence and in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product liability and completed operations, not to exclude food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000.

(2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy.

(3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the Franchised Restaurant is operated. This coverage shall also be in effect for all of Developer's employees who participate in any of the training programs described in Section 8.

The required limits set forth in Section 7(1)-(3) above may be satisfied through a combination of Primary and Umbrella/Excess Liability coverage. If satisfied through an Umbrella/Excess Liability coverage, the Umbrella/Excess Liability must be "following form" of the underlying Commercial General Liability, Automobile Liability and Employer's Liability coverages.

(4) Commercial Property insurance that extends coverage on a replacement cost basis for the Franchised Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V." Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories "E" or "D."

(5) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence.

(6) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the Franchised Restaurant, Developer's general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder's Risk with limits no less than $1,000,000, with CJR named as an additional insured, as well as Workers' Compensation and Employer's Liability as required by state law.

CJR may regulate the types, amounts, terms and conditions of insurance coverage required for the Franchised Restaurant, and standards for underwriters of policies providing required insurance coverage, including: **(a)** CJR's protection and rights under these policies as an additional insured or loss payee; **(b)** required or permissible insurance contract provisions; **(c)** assignment of policy rights to CJR; **(d)** periodic verification of insurance coverage that must be furnished to CJR and; **(e)** similar matters related to insured and uninsured claims. Developer shall receive written notice of such modifications and shall take prompt action to comply.

The following general requirements shall apply to each insurance policy that Developer is required to maintain under this Agreement:

Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured or loss payee shall be excess and non-contributory.

No insurance policy shall contain a provision that in any way limits or reduces coverage for Developer in the event of a claim by CJR or its affiliates.

Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Developer to third parties and all other items for which Developer is required to indemnify CJR under this Agreement.

Each insurance policy shall be written by an insurance company that has received and maintains an "A- VIII" or better rating by A.M. Best Company (or another rating service designated by CJR) and that is otherwise satisfactory to CJR.

No insurance policy shall provide for a deductible amount that exceeds $100,000, unless otherwise approved in writing by CJR.

Each insurance policy shall include a waiver of subrogation endorsement in favor of CJR and its affiliates.

With respect to the Commercial General Liability, Automobile Liability and Umbrella/Excess Liability policies, CJR and its affiliates shall be named as Additional Insured on a primary and non-contributory basis. With respect to the Commercial Property coverage, CJR and its affiliates shall be named as Loss Payee.

All required insurance policies shall be in full force and effect and Developer shall submit to CJR evidence of satisfactory insurance and proof of payment therefore no later than the date the first of the following occurs: **(1)** 30 days prior to the scheduled opening date of the Franchised Restaurant; **(2)** the date Developer takes possession of the Franchised Location, or **(3)** the date construction commences at the Franchised Location, if Developer is contractually obligated for the construction. On each policy renewal date thereafter, Developer shall again submit evidence of satisfactory insurance and proof of payment therefor to CJR. The evidence of insurance shall include a statement by the insurer that the policy or

policies will not be canceled or materially altered without at least 30 days' prior written notice to CJR. Upon request, Developer also shall provide to CJR copies of all or any policies, and policy amendments and endorsements.

Developer acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by CJR that only such policies, in such amounts, are necessary to protect Developer from losses in connection with its business under this Agreement. Maintenance of this insurance, and the performance by Developer of its obligations under this Section, shall not relieve Developer of liability under the indemnification provisions of this Agreement.

Should Developer, for any reason, fail to procure or maintain at least the insurance required by this Section 7, as revised from time to time pursuant to the OPM or otherwise in writing, CJR shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Developer. All out-of-pocket costs incurred by CJR in obtaining such insurance on behalf of Developer shall be reimbursed to CJR by Developer immediately upon Developer's receipt of an invoice therefor.

8. ORGANIZATION OF DEVELOPER

A. Representations

If Developer is a corporation, a limited liability company, a partnership or any other type of organization (collectively, "business entity"), Developer makes the following representations and warranties: **(1)** it is duly organized and validly existing under the laws of the state of its formation; **(2)** it is qualified to do business in the state or states in which the Development Territory is located; **(3)** execution of this Agreement and the development and operation of Franchised Restaurants is permitted by its governing documents; and **(4)** unless waived in writing by CJR, Developer's governing documents shall at all times provide that the activities of Developer are limited exclusively to the development and operation of the Franchised Restaurants and other restaurants that are franchised by CJR or its affiliates and that no Transfer (as defined in Section 10) of an ownership interest may be made except in accordance with Section 10.

If Developer is an individual, or a partnership comprised solely of individuals, Developer makes the following additional representations and warranties: **(A)** each individual has executed this Agreement; **(B)** each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and **(C)** notwithstanding any transfer for convenience of ownership, pursuant to Section 10.D., each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

B. Governing Documents

If Developer is a business entity, Developer shall furnish CJR with copies of Developer's governing documents and any other corporate documents, books or records that CJR may request. When any of these governing documents are modified or changed, Developer promptly shall provide copies to CJR. Developer's governing documents must provide that no Transfer (as defined in Section 10.A.) may be made except in accordance with Section 10.

C. Ownership Interests

If Developer is a business entity, Developer must furnish CJR with a list of all holders of a direct or indirect ownership interest in Developer and their respective percentage interests. As of the date of this

Agreement, all interests in Developer are owned as set forth in attached Appendix C. Developer shall comply with Section 10 prior to any change in ownership interests and shall update Appendix C as changes occur in order to ensure the information contained in Appendix C is true, accurate and complete at all times.

The requirements of this Section 8.C. shall apply only to Developer's Continuity Group (defined in Section 8.D.) if, as of the date of the first franchise-related agreement between Developer and CJR or one of its affiliates, Developer was a publicly-held entity (*i.e.*, an entity that has a class of securities traded on a recognized securities exchange or quoted on the inter-dealer quotation sheets known as the "pink sheets"). If Developer becomes a publicly-held entity after that date, it shall thereafter be required to update Appendix C only with respect to changes in ownership interests of members of the Continuity Group.

D. Continuity Group

If Developer is a business entity, Appendix C lists those persons who comprise Developer's "Continuity Group." CJR and Developer acknowledge and agree that it is their intent that the members of the Continuity Group include the Development Principal (as defined in Section 8.F.) and **(1)** all holders of a direct or indirect, legal or beneficial interest of 10% or more ("10% Owners") in Developer; **(2)** if Developer is a limited partnership, all 10% Owners of Developer's general partner; and **(3)** all 10% Owners of a business entity that owns a controlling interest in Developer. In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Developer shall update Appendix C to reflect the change. The Continuity Group shall at all times own at least 51% of the ownership interests in Developer.

E. Guarantees

All members of the Continuity Group and their spouses, if applicable, shall jointly and severally guarantee Developer's payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to the attached Guarantee and Assumption of Developer's Obligations ("Guarantee"). Notwithstanding the foregoing, CJR reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the attached Guarantee and/or to limit the scope of the Guarantee. CJR reserves the right to require any guarantor to provide personal financial statements to CJR from time to time.

With respect to 10% Owners, Developer acknowledges that, unless otherwise agreed to in writing by CJR, it is CJR's intent to have individuals (and not corporations, limited liability companies or other entities) execute the Guarantee. Accordingly, if any 10% Owner is not an individual, CJR shall have the right to have the Guarantee executed by individuals who have only an indirect ownership interest in Developer and their spouses, if applicable. (By way of example, if a 10% Owner of Developer is a corporation, CJR has the right to require that the Guarantee be executed by individuals who have an ownership interest in that corporation and their spouses, if applicable.)

If Developer, any guarantor or any parent, subsidiary or affiliate of Developer holds any interest in other restaurants that are franchised by CJR or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guarantee to CJR and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by CJR in its sole discretion. For purposes of this Agreement, an affiliate of Developer is any company controlled, directly or indirectly, by Developer or Developer's parent or subsidiary.

F. Development Principal

Developer shall designate and retain an individual to serve as the Development Principal. (If Developer is owned by one individual, that individual may serve as the Development Principal if the individual meets CJR's requirements for a Development Principal.) The Development Principal as of the date of this Agreement is identified in Appendix C. The Development Principal shall meet all of the following qualifications:

(1) The Development Principal shall have at least a 10% equity ownership interest in Developer or, if Developer is a limited partnership, in Developer's general partner, unless this requirement is modified by CJR in its sole discretion. This Section 8.F.(1) shall not apply if Developer was a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between Developer and CJR.

(2) The Development Principal, at all times, shall be a member of the Continuity Group and, at a minimum, have full control over the day-to-day development of Developer's Franchised Restaurants.

(3) Unless Developer has named and CJR has approved a Multi-Unit Development Manager:

(a) The Development Principal shall devote full-time and best efforts to supervising the development of Developer's Franchised Restaurants and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(b) Unless waived in writing by CJR, the Development Principal shall maintain his primary residence within a reasonable driving distance of the Development Territory.

(4) If requested by CJR, the Development Principal shall successfully complete CJR's development training. In addition, if requested by CJR, the Development Principal shall successfully complete the Franchise Management Training Program ("FMTP").

(5) CJR shall have approved the Development Principal, and not have later withdrawn that approval.

If the Development Principal no longer meets these qualifications, Developer must provide CJR written notice designating a qualified person to act as Development Principal within 30 days after the date the prior Development Principal ceases to be qualified. CJR shall advise Developer whether it has approved the new Development Principal within a reasonable time after receipt of Developer's notice. If CJR does not approve the proposed Development Principal, Developer will have 15 days from its receipt of notice of the decision to advise CJR in writing of another person to act as Development Principal who satisfies the preceding qualifications.

If Developer is developing restaurants in multiple markets that are franchised by CJR or its affiliates, an individual meeting the qualifications of this Section will serve as Development Principal in at least one market.

G. Multi-Unit Development Manager

If Developer is developing Franchised Restaurants in multiple geographic markets, for all markets in which the Development Principal fails to satisfy the requirements of Section 8.F., Developer shall

designate and retain an individual to serve as Multi-Unit Development Manager. The Multi-Unit Development Manager shall be under the supervision of the Development Principal. The Multi-Unit Development Manager shall meet all of the following qualifications:

(1) The Multi-Unit Development Manager shall devote full time and best efforts to supervising the development of the Franchised Restaurants and other restaurants to be operated by Developer that are franchised by CJR or its affiliates in a geographic market and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(2) Unless waived in writing by CJR, the Multi-Unit Development Manager shall maintain his primary residence within a reasonable driving distance of the Development Territory.

(3) If requested by CJR, the Multi-Unit Development Manager shall successfully complete CJR's development training. In addition, the Multi-Unit Development Manager shall successfully complete the FMTP and any additional training required by CJR.

(4) CJR shall have approved the Multi-Unit Development Manager, and not have later withdrawn that approval.

If a Multi-Unit Development Manager no longer qualifies as such, Developer shall designate another qualified person to act as Multi-Unit Development Manager within 30 days after the date the prior Multi-Unit Manager ceases to be qualified. Developer's designee to become Multi-Unit Development Manager must successfully complete the FMTP and any additional development training required by CJR.

9. TRANSFERS BY CJR

CJR shall have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of its rights and obligations under this Agreement to any person or legal entity without the consent of Developer. Developer agrees that CJR will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred.

10. TRANSFERS BY DEVELOPER

A. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, that CJR has entered into this Agreement in reliance on Developer's (and Developer's direct and indirect owners') business skill, financial capacity, personal character, experience and demonstrated or purported ability in developing and operating high quality foodservice operations and that CJR has entered into this Agreement with the understanding that, except as otherwise reserved by CJR in Section 2, Developer will be the only franchisee of CJR in the Development Territory during the Development Term. Accordingly, neither Developer nor any immediate or remote successor to any part of Developer's interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly has an interest in Developer shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in Developer, this Agreement or any other assets pertaining to Developer's operations under this Agreement (collectively "Transfer") without the prior written consent of CJR. CJR shall be free to withhold consent to any Transfer, without consideration of the factors listed in Section 10.B., if Developer does not propose to Transfer the same interest with respect to all agreements with CJR in the Development Territory.

Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having the prior written consent of CJR shall be null and void and shall constitute a material

breach of this Agreement, for which CJR may terminate this Agreement without providing Developer an opportunity to cure the breach.

B. Developer shall advise CJR in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals and submit all other information requested by CJR relating to the proposed Transfer. If CJR does not exercise its right of first refusal pursuant to Section 10.J., the decision as to whether or not to consent to a proposed Transfer shall be made by CJR in its sole discretion and shall include numerous factors deemed relevant by CJR. These factors may include, but will not be limited to, the following:

(1) The proposed transferee (and if the proposed transferee is not a natural person, all persons that have any direct or indirect interest in the transferee as CJR may require) must demonstrate to CJR's satisfaction that it has extensive experience in high quality restaurant operations of a character and complexity similar to the restaurants franchised by CJR or its affiliates; must meet the managerial, operational, experience, quality, character and business standards for a developer promulgated by CJR from time to time; must possess a good character, business reputation and credit rating; must have an organization whose management culture is compatible with CJR's management culture; and must have adequate financial resources and working capital, as determined by CJR in its sole discretion, to meet Developer's development obligations under this Agreement.

(2) The sales price shall not be so high, in CJR's reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Franchised Restaurants and meet financial obligations to CJR, third party suppliers and creditors. CJR's decision with respect to a proposed Transfer shall not create any liability on the part of CJR: **(a)** to the transferee, if CJR consents to the Transfer and the transferee experiences financial difficulties; or **(b)** to Developer or the proposed transferee, if CJR withholds consent to the Transfer. CJR, without any liability to Developer or the proposed transferee, has the right, in its sole discretion, to communicate and counsel with Developer and the proposed transferee regarding any aspect of the proposed Transfer.

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

(4) Developer is not then in material default of any provision of this Agreement or any other agreement between Developer and CJR or its affiliates, is in good standing as a franchisee with CJR and its affiliates, is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to Developer's Franchised Restaurants and is not in default beyond the applicable cure period with any vendor or supplier to Developer's Franchised Restaurants.

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

Developer and CJR or its affiliates and all other restaurants operated by Developer that are franchised by CJR or its affiliates.

(6) Unless waived by CJR in its sole discretion, the transferee and those employees hired by transferee to fill certain designated positions shall complete the development training programs provided in Section 5.F.

(7) The transferee and each of the transferee's affiliates that have entered into a development or franchise agreement with CJR or its affiliates must, as of the date of the request for CJR's consent to the Transfer, be in compliance with all obligations to CJR or its affiliates under those agreements

C. If CJR consents to a proposed Transfer, prior to the Transfer becoming effective:

(1) The transferor shall pay CJR a nonrefundable Transfer fee under this Agreement of $2,500 in connection with CJR's review of the Transfer application.

(2) Developer and the proposed transferee shall execute, at CJR's election, an assignment agreement and any amendments to this Agreement deemed necessary or desirable by CJR to reflect the Transfer and/or CJR's then-current standard form of development agreement for a term ending on the expiration date of this Agreement. In either event, a guarantee of the type required by Section 8.E. shall be executed by those individuals identified in Section 8.E. In addition, Developer, the proposed transferor and the proposed transferee shall sign all other documents and take such actions as CJR may require to protect CJR's rights under this Agreement.

(3) The transferor shall remain liable for all obligations to CJR incurred before the date of the Transfer and shall execute any and all instruments reasonably requested by CJR to evidence that liability.

D. If Developer is an individual or a partnership and desires to Transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, the requirements of Section 10.B. shall apply to such a Transfer, however, Developer will not be required to pay a Transfer fee. CJR's consent also will be conditioned on the following: **(1)** the corporation (or limited liability company) must be newly organized; **(2)** prior to the Transfer, CJR must receive a copy of the documents specified in Section 8.B. and the transferee shall comply with the remaining provisions of Section 8; and **(3)** Developer must own all voting securities of the corporation (or membership interests of the limited liability company) or, if Developer is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the Transfer.

E. Notwithstanding the provisions of Sections 10.A. and B., the issuance of options or the exercise of options pursuant to a qualified stock option plan or a qualified employee stock ownership plan shall not be considered a Transfer and shall not require the prior written consent of CJR; provided no more than a total of 49% of Developer's outstanding voting securities are subject to the qualified stock option plan or qualified employee stock ownership plan.

F. If Developer was a publicly-held entity as of the date of the first franchise-related agreement between Developer and CJR or its affiliates, Section 10.B. shall be applicable to transfers of ownership interests in Developer only if the proposed Transfer would result in: **(1)** 50% or more of Developer's voting securities being held by different shareholders than as of the date of the first franchise-related agreement between Developer and CJR or its affiliates; or **(2)** any change in ownership of Developer's voting securities whereby any existing shareholder of Developer acquires an additional 10%

or more of Developer's voting securities; or **(3)** any change in the membership of the Continuity Group (unless such change is a permitted Transfer pursuant to Section 10.G.).

G. In the event of the death or permanent incapacity of any person with an ownership interest in Developer, CJR shall not unreasonably withhold its consent to a transfer to any person, persons, partnership or corporation designated by his legal representative, provided, however, that:

(1) The requirements of Section 10.B. and 10.C. shall have been met.

(2) The proposed transfer is applied for in writing within 2 months of the date of death or permanent incapacity by the legal representative of such individual, and is effected within 6 months thereafter.

(3) In the case of permanent incapacity, the legal representative shall have furnished a certification of a physician designated by CJR that Developer has been or will be unable to develop or operate any System Restaurants for a period of 6 months or longer.

H. Developer shall not grant any security interest in its business or in any Franchised Restaurant or the assets used in the operation or development of any Franchised Restaurant without CJR's prior written consent, which will not be unreasonably withheld. CJR's consent may be conditioned, in its sole discretion, on the written agreement by the secured party that, in the event of a default by Developer under any agreement related to the security interest, CJR shall have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of all sums then due to the secured party. If Developer (or any person with a direct or indirect interest in Developer) finances any part of the price paid in connection with the Transfer, the person or entity providing the financing must agree that all obligations of the proposed transferee and any security interests retained in the assets being transferred, will be subordinate to the proposed transferee's obligations to: **(1)** pay all amounts due to CJR and its affiliates; and **(2)** otherwise comply with this Agreement and all other agreements with CJR or its affiliates.

I. Securities or partnership interests in Developer may be sold, by private or public offering, only with CJR's prior written consent (whether or not CJR's consent is required under any other provision of this Section), which consent shall not be unreasonably withheld. In addition to the requirements of Section 10.B., prior to the time that any public offering or private placement of securities or partnership interests in Developer is made available to potential investors, Developer, at its expense, shall deliver to CJR a copy of the offering documents. Developer, at its expense, also shall deliver to CJR an opinion of Developer's legal counsel and an opinion of one other legal counsel selected by CJR (both of which shall be addressed to CJR and in a form acceptable to CJR) that the offering documents properly use the Proprietary Marks and accurately describe Developer's relationship with CJR and/or its affiliates. The indemnification provisions of Section 16 shall also include any losses or expenses incurred by CJR and its affiliates in connection with any statements made by or on behalf of Developer in any public offering or private placement of Developer's securities.

J. If any party holding any direct or indirect interest in Developer or in this Agreement receives a bona fide offer (as determined by CJR in its reasonable discretion) from a third party or otherwise desires to undertake any Transfer that would require CJR's consent (other than a Transfer for convenience of ownership pursuant to Section 10.D. or a Transfer of ownership interests to a parent, sibling, spouse or child), it shall notify CJR in writing of the terms of the proposed Transfer, and shall provide such information and documentation relating to the proposed Transfer as CJR may reasonably require, including, but not limited to, a copy of the offer. CJR or its designee may elect to purchase the interest that the seller proposes to Transfer any time within 30 days after receipt of written notification, and all documents and

other information required by Section 10.B., by sending written notice to the seller that CJR or its designee intends to purchase the seller's interest on the same financial terms and conditions offered by the third party (except that CJR or its designee shall not be obligated to pay any finder's or broker's fees). In purchasing the interest, CJR or its designee shall be entitled to set off any monies owed to CJR or its affiliates by Developer and CJR or its designee shall be entitled to all customary representations and warranties that the assets are free and clear (or, if not, accurate and complete disclosure) as to: **(1)** ownership, condition and title; **(2)** liens and encumbrances; **(3)** environmental and hazardous substances; and **(4)** validity of contracts inuring to the purchaser or affecting the assets, whether contingent or otherwise.

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

CJR's failure to exercise its right of first refusal shall not constitute consent to the proposed Transfer nor a waiver of any other provision of this Section 10 with respect to a proposed Transfer. If CJR does not exercise its right of first refusal, Developer may not thereafter Transfer the interest at a lower price or on more favorable terms than those that have been offered to CJR. CJR shall again be given a right of first refusal if a transaction does not close within 6 months after CJR elected not to exercise its right of first refusal. In no event shall Developer offer the interest for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained the written consent of CJR to the auction or advertisement.

K. CJR's consent to any Transfer shall not constitute a waiver of any claims CJR may have against the transferring party, nor shall it be deemed a waiver of CJR's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor will it be deemed a waiver of CJR's right to give or withhold consent to future Transfers.

11. GENERAL RELEASE

Except as set forth at the end of this Section 11, Developer (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all individuals who execute this Agreement (each a "Releasor" and collectively, "Releasors"), freely and without any influence forever release and covenant not to sue CJR, its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "CJR Releasees"), from any and all claims, defenses (including affirmative defenses), demands, liabilities and causes of action of whatever kind or nature,

whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), which any Releasor now owns or holds or may in the future own or hold based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any CJR Releasee, the sale of a franchise to any Releasor, the development of any Franchised Restaurant and the development and operation of all other restaurants operated by any Releasor that are or were franchised by CJR or its parents, subsidiaries, affiliates or predecessors. Developer (on behalf of Releasors) expressly agrees that fair consideration has been given by CJR for this release and it fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims arising from representations in the Carl Jr.'s Franchise Disclosure Document provided to Developer in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement as of the date of this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436).

12. COVENANTS

A. Best Efforts

During the Development Term, Developer and the Development Principal shall devote their best efforts to the development, management and operation of the Franchised Restaurants in the Development Territory.

B. Confidentiality

Developer acknowledges and agrees that: **(1)** CJR owns all right, title and interest in and to the Carl's Jr. System; **(2)** the Carl's Jr. System include trade secrets and confidential and proprietary information and know-how that give CJR and its affiliates a competitive advantage; **(3)** the trade secrets and confidential and proprietary information and know-how derive independent economic value to CJR from not being generally known to and not readily ascertainable by others; **(4)** CJR and its affiliates have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the Carl's Jr. System; **(5)** all material or other information now or hereafter provided or disclosed to Developer regarding the Carl's Jr. System including, without limitation, pricing information and models, is disclosed in confidence; **(6)** Developer has no right to disclose any part of the Carl's Jr. System to anyone who is not an employee of Developer; **(7)** Developer will disclose to its employees only those parts of the Carl's Jr. System that an employee needs to know; **(8)** Developer will have a system in place to ensure that its employees keep confidential CJR's trade secrets and confidential and proprietary information, and, if requested by CJR, Developer shall obtain from those of its employees designated by CJR an executed Confidential Disclosure Agreement in the form prescribed by CJR; **(9)** by entering this Agreement, Developer does not acquire any ownership interest in the Carl's Jr. System; and **(10)** Developer's use or duplication of the Carl's Jr. System or any part of the Carl's Jr. System in any other business, or disclosure of any part of the Carl's Jr. System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

Developer shall not, during the Development Term or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the Carl's Jr. System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the Carl's Jr. System. Any and all information, knowledge, know-how

and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that CJR or its affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

If Developer develops any new concepts, processes or improvements relating to the Carl's Jr. System, Developer promptly shall notify CJR and provide CJR with all information regarding the new concept, process or improvement, all of which shall become the property of CJR and its affiliates and which may be incorporated into the Carl's Jr. System without any payment to Developer. Developer promptly shall take all actions deemed necessary or desirable by CJR to vest in CJR ownership of such concepts, processes or improvements.

C. Restrictions

(1) Developer acknowledges and agrees that: **(a)** pursuant to this Agreement, Developer will have access to valuable trade secrets, specialized training and other confidential information from CJR and/or its affiliates regarding the development, operation, product preparation and sales, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques of CJR and/or its affiliates and the Carl's Jr. System; **(b)** the know-how regarding the Carl's Jr. System and the opportunities, associations and experience acquired by Developer pursuant to this Agreement are of substantial value; **(c)** in developing the Carl's Jr. System, CJR and/or its affiliates have made substantial investments of time, effort and money; **(d)** CJR would be unable adequately to protect the Carl's Jr. System and their trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of Carl's Jr. Restaurants if franchisees or developers were permitted to engage in the activities described in Section 12.C.(2)(a) or to hold interests in the businesses described in Section 12.C.(2)(b); **(e)** all restaurants operating in a quick-service format are substantial and direct competitors of the Carl's Jr. System; and **(f)** the restrictions on Developer's right to hold interests in, or perform services for, businesses described in Section 12.C.(2)(b) will not unduly limit its activities.

(2) Accordingly, Developer covenants and agrees that, except with CJR's prior written consent, during the Development Term, and for a continuous period of 2 years following its expiration, transfer or termination, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any restaurant franchised or operated by CJR or its affiliates to any competitor, by direct or indirect inducement or otherwise.

(b) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to, sell the real property underlying any Franchised Location and related assets to, or have any interest in, either directly or indirectly, any restaurant business: **(i)** whose sales of Designated Entrée Items (as defined below) during any daypart are reasonably likely to account collectively for 20% or more of the restaurant's sales of all entrée items during that daypart; **(ii)** that features or promotes any Designated Entrée Item in its advertising; or **(iii)** that operates in a quick-service format (with or without table service). For purposes of the previous sentence, the term "Designated Entrée Items" means any hamburger sandwich, chicken sandwich, breakfast sandwich and any other entrée item of a type designated by CJR as part of the Carl's Jr. System at any time during the term of this Agreement. During the Development Term, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply within the Development Territory, within 2 miles of the border of the Development Territory and within a 2-mile radius of any then-existing

Carl's Jr. Restaurant. This restriction shall not apply to Developer's existing restaurant or foodservice operations, if any, which are identified in Appendix B, nor shall it apply to other restaurants operated by Developer that are franchised by CJR or its affiliates.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the 2 year period following expiration, Transfer or termination of this Agreement, Developer fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Developer's satisfaction of the 2 year obligation.

D. Modification

CJR shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 12 effective immediately upon Developer's receipt of written notice, and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 20.

E. Applicability

The restrictions contained in this Section 12 shall apply to Developer and all guarantors of Developer's obligations. With respect to each guarantor, these restrictions shall apply until 2 years after the earlier of: **(i)** the expiration, transfer or termination of this Agreement; or **(ii)** the date the guarantor ceases to be the Development Principal, an officer, stockholder, director, member of the Continuity Group or a 10% Owner (or, if a guarantor is the spouse of a person holding one or more of these positions, the date the person ceases to hold the applicable positions). The restrictions contained in this Section 12 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation. The existence of any claim Developer or any guarantor of Developer's obligations may have against CJR or its affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by CJR of the covenants in this Section 12.

At CJR's request, unless otherwise prohibited by law, Developer will obtain covenants similar in substance to those set forth in this Section 12 from any of its stockholders, managers, directors, members, officers, or restaurant managers and from family members of guarantors.

F. Injunctive Relief

Developer acknowledges and agrees that violation of the covenants contained in this Section 12 will result in immediate and irreparable injury to CJR for which money damages are not an adequate remedy. Therefore, in addition to being responsible for any damages caused to CJR arising from Developer's violation of this Section 12, CJR shall be entitled to seek the entry of an injunction prohibiting any conduct by Developer in violation of this Section 12.

13. TERMINATION

A. Grounds for Termination

In addition to the grounds for termination that may be stated elsewhere in this Agreement, CJR may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Developer without an opportunity to cure upon the occurrence of any of the following events:

(1) Developer fails to provide CJR with a fully-executed lease or sublease, or proof of purchase of the real property, for a proposed site by the applicable Property Control Date listed in Appendix B.

(2) Developer fails to open an authorized site by the Opening Date listed in Appendix B.

(3) At any time during the Development Term, Developer fails to have open and operating the minimum number of Franchised Restaurants required by the Development Schedule.

(4) Developer begins construction of a Franchised Restaurant at a site before Developer has received a fully-executed Franchise Agreement and paid CJR the Initial Franchise Fee.

(5) Developer is insolvent or is unable to pay its creditors (including CJR); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Developer a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Developer makes an assignment for the benefit of creditors; or a receiver or trustee is appointed for Developer and not dismissed within 60 days of the appointment.

(6) Execution is levied against Developer's business or property; suit to foreclose any lien or mortgage against the premises or equipment of any Franchised Restaurant developed hereunder is instituted against Developer and is not dismissed within 60 days; or the real or personal property of any Franchised Restaurant developed hereunder shall be sold after levy thereupon by any sheriff, marshal or constable.

(7) There is a material breach by Developer of any obligation under Section 12.

(8) Any Transfer that requires CJR's prior written consent occurs without Developer having obtained that prior written consent.

(9) CJR discovers that Developer made a material misrepresentation or omitted a material fact in the information that was furnished to CJR in connection with its decision to enter into this Agreement.

(10) Developer knowingly falsifies any report required to be furnished CJR or makes any material misrepresentation in its dealings with CJR or fails to disclose any material facts to CJR.

(11) Developer, the Development Principal, any stockholder, member, partner, director or officer of Developer, any member of the Continuity Group or any 10% Owner is convicted of, or pleads no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of CJR, to adversely affect CJR, its affiliates, the Carl's Jr. System.

(12) Developer, the Development Principal, any member of the Continuity Group, any 10% Owner or any Affiliated Entity remains in default beyond the applicable cure period: **(a)** under any other agreement with CJR or its affiliates; **(b)** under any real estate lease, equipment lease, or financing instrument relating to a Franchised Restaurant; or **(c)** with any vendor or supplier to a Franchised Restaurant; provided that if the default is not by Developer, Developer is given written notice of the default and 30 days to cure said default.

(13) Developer fails or refuses to comply with any other provision of this Agreement or any requirement of the Carl's Jr. System and does not correct the failure or refusal within 30 days (10 days for monetary defaults) after receiving written notice of default. Except for monetary defaults, if the default cannot be corrected within 30 days, Developer shall have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that Developer begins taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursues those actions to completion. Developer will be in default under this Section 13.A.(13) for any failure to materially comply with any of the requirements imposed by this Agreement, the Development Guide or otherwise in writing, or to carry out the terms of this Agreement in good faith.

If Developer has received 2 or more notices of default pursuant to this Section 13.A.(13) within the previous 12 months, CJR shall be entitled to send Developer a notice of termination upon Developer's next default under this Section 13.A.(13) in that 12-month period without providing Developer an opportunity to remedy that default.

B. Statutory Limitations

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

14. OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Developer shall have no further right to develop or open Franchised Restaurants in the Development Territory, except that Developer shall be entitled to complete and open a Franchised Restaurant for which a Franchise Agreement has been fully executed. Termination or expiration of this Agreement shall not affect Developer's right to continue to operate Franchised Restaurants that were open and operating as of the date this Agreement terminated or expired.

B. The limited exclusive rights granted Developer in the Development Territory shall terminate and CJR shall have the right to operate or license others to operate Carl's Jr. Restaurants anywhere in the Development Territory.

C. Developer promptly shall return to CJR all materials and information furnished by CJR or its affiliates, except materials and information furnished with respect to a Franchised Restaurant under development for which there is an effective Franchise Agreement or a Franchised Restaurant which is open and operating pursuant to an effective Franchise Agreement.

D. Developer and all persons and entities subject to the covenants contained in Section 12 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

E. Developer immediately shall pay CJR and its affiliates all sums due and owing CJR or its affiliates pursuant to this Agreement.

F. CJR shall retain the Development Fee, including any remaining (unused) balance on account with CJR.

G. Developer shall furnish CJR, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by an authorized officer of Developer) satisfactory to CJR of Developer's compliance with Sections 14.A. through 14.E.

H. Developer shall not, except with respect to a restaurant franchised by CJR or its affiliates which is then open and operating pursuant to an effective franchise agreement or a restaurant under construction that is franchised by CJR or its affiliates for which there is an effective franchise agreement: **(1)** operate or do business under any name or in any manner that might tend to give the public the impression that Developer is connected in any way with CJR or its affiliates or has any right to use the Carl's Jr. System or any of the Proprietary Marks; **(2)** make, use or avail itself of any of the materials or information furnished or disclosed by CJR or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(3)** assist anyone not licensed by CJR or its affiliates to construct or equip a foodservice outlet substantially similar to a Carl's Jr. Restaurant.

15. RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Developer is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of CJR or its affiliates or a joint employer with CJR or its affiliates. Developer shall have no right or power to, and shall not, bind or obligate CJR or its affiliates in any way or manner, nor represent that Developer has any right to do so. Developer shall not issue any press releases without the prior written approval of CJR.

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

The sole relationship between Developer and CJR is a commercial, arms' length business relationship and, except as provided in Section 16, there are no third party beneficiaries to this Agreement. Developer's business is, and shall be kept, totally separate and apart from any that may be operated by CJR. In all public records, in relationships with other persons, and on letterheads and business forms, Developer shall indicate its independent ownership of the Franchised Restaurants and that Developer is solely a franchisee of CJR.

16. INDEMNIFICATION

A. Developer and all guarantors of Developer's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to CJR), and hold harmless (to the fullest extent permitted by law) CJR and its parents and affiliates, and their respective predecessors, successors, assigns, past and present stockholders, directors, managers, officers, members, employees, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Developer's activities under this Agreement, excluding the gross negligence or willful misconduct of CJR.

Developer promptly shall give CJR written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Developer and, upon request, shall furnish CJR with copies of any documents from such matters as CJR may request.

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

B. As used in this Section, the phrase "losses and expenses" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to CJR's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

17. CONSENTS, APPROVALS AND WAIVERS

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

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

C. No failure of CJR to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of CJR's right to demand exact compliance with any of the terms of this Agreement. A waiver by CJR of any particular default by Developer shall not affect or impair CJR's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of CJR to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement affect or impair CJR's right to exercise the same, nor shall such constitute a waiver by CJR of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of the Development Term. Subsequent acceptance by CJR of any payments due to it hereunder shall not be deemed to be a waiver by CJR of any preceding breach by Developer of any terms, covenants or conditions of this Agreement. CJR has entered, and will continue to enter, into agreements with other developers and franchisees. The manner in which CJR enforces its rights, and the developers' or franchisees' obligations, under any of those other agreements shall not affect the ability of CJR to enforce its rights or Developer's obligations under this Agreement.

18. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Developer, addressed to Developer at the notice address set forth in Appendix B; and **(B)** if to CJR, addressed to CJR

at its principal offices, current address: 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067 (marked Attn: Kerry Olson, General Counsel) (Email: kolson@ckr.com), with a copy to Franchise Legal Team (Email: legal@ckr.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(1)** delivered personally; **(2)** transmitted by email to the address set forth above (or in Appendix B) with electronic confirmation of receipt; **(3)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(4)** mailed via overnight courier.

19. FORCE MAJEURE

As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, pandemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Developer's inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Notwithstanding the foregoing, nothing in this Section shall permit or excuse any delay or failure to remit any payment due the other party on the due date.

20. ENTIRE AGREEMENT

CJR and Developer acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the Development Guide, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Developer's rights in the Development Territory and CJR's acceptance of sites for Franchised Restaurants, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in the Carl's Jr. Franchise Disclosure Document provided to Developer.

21. SEVERABILITY AND CONSTRUCTION

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

upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

B. Except as otherwise provided in Section 16, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer and CJR and its affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

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

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

E. Whenever CJR has expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant Developer a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, CJR may make such decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests. This also applies if CJR is deemed to have a right and/or discretion. CJR's judgment of what is in the best interests of the Carl's Jr. System, at the time its decision is made or its right or discretion is exercised, can be made without regard to whether: **(1)** other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by CJR; **(2)** CJR's decision or the action taken promotes its financial or other individual interest; **(3)** CJR's decision or the action taken applies differently to Developer and one or more other developers or franchisees or CJR company-operated or affiliate-operated operations; or **(4)** CJR's decision or the action taken is adverse to Developer's interests. CJR will have no liability to Developer for any such decision or action. CJR and Developer intend that the exercise of CJR's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, CJR and Developer agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants CJR the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's rights and obligations under this Agreement.

F. Developer agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of CJR will have any liability for: **(1)** any obligations or liabilities of CJR relating to or arising from this Agreement; **(2)** any claim against CJR based on, in respect of, or by reason of the relationship between Developer and CJR; or **(3)** any claim against CJR based on any alleged unlawful act or omission of CJR. This provision does not include a release of claims arising from representations in the Carl's Jr. Franchise Disclosure Document provided to Franchisee in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

22. GOVERNING LAW, FORUM AND LIMITATIONS

A. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall

be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Tennessee law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

B. The parties agree that, to the extent any disputes cannot be resolved directly between them, Developer shall file any suit against CJR only in the federal or state court having jurisdiction where CJR's principal offices are located at the time suit is filed. CJR may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Developer resides or does business or where the Development Territory or any Franchised Restaurant is or was located or where the claim arose. Developer consents to the personal jurisdiction of those courts over Developer and to venue in those courts.

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

D. Developer and CJR waive, to the fullest extent permitted by law, any right or claim of any consequential, punitive or exemplary damages against each other and agree that, in the event of a dispute between them, each shall be limited to the recovery of actual damages sustained by it. Developer and CJR waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

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

F. No right or remedy conferred upon or reserved to CJR or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 22 shall survive the expiration or earlier termination of this Agreement.

23. MISCELLANEOUS

A. Gender and Number

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

B. Captions

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

C. Counterparts

This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original. This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

D. Time

Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Injunctive Relief

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

F. Authority

All information Developer provided to CJR in connection with Developer's franchise application and CJR's grant of the development rights is truthful, complete and accurate. The persons signing this Agreement on behalf of Developer have full authority to enter into this Agreement and the other agreements contemplated by the parties. Execution of this Agreement or such other agreements by Developer does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Developer or any person with an ownership interest in Developer is a party.

G. Variations

CJR has the right, in its sole discretion, to waive, defer, or permit variations from the standards of the Carl's Jr. System, or any applicable agreement to any developer, franchisee, prospective developer, or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. CJR has the right, in its sole discretion, to deny any such request CJR believes would not be in the best interests of the Carl's Jr. System.

H. Compliance with U.S. Laws

Developer acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 ("Order"), CJR is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, Developer represents and warrants to CJR that, as of the date of this Agreement, neither Developer nor any person holding any ownership interest in Developer, controlled by Developer,

or under common control with Developer is designated under the Order as a person with whom business may not be transacted by CJR, and that Developer: **(1)** does not, and hereafter shall not, engage in any terrorist activity; **(2)** is not affiliated with and does not support any individual or entity engaged in, contemplating or supporting terrorist activity; and **(3)** is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating or supporting terrorist activity, or to otherwise support or further any terrorist activity.

I. FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

If Developer is a resident of one of the states listed in the heading of this Section 23.I (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of a Franchised Restaurant in the Applicable Franchise Registration State, then the following applies:

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.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____
Print Name: _____
Title: _____
Date: _____

DEVELOPER:

By: _____
Print Name: _____
Title: _____
Date: _____

GUARANTEE AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Carl's Jr. Restaurant Development Agreement dated as of _____ ("Agreement") by Carl's Jr. Restaurants LLC ("CJR"), entered into with _____ ("Developer"), the undersigned ("Guarantors"), each of whom is a member of Developer's Continuity Group or a 10% Owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to CJR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the restrictions contained in Section 12 of the Agreement.

2. Guarantee and Assumption of Developer's Obligations. Guarantors hereby: **(A)** guarantee to CJR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Developer and any assignee of Developer's interest under the Agreement shall **(1)** punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and **(2)** punctually pay all other monies owed to CJR and/or its affiliates; **(B)** agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 12 and 16; and **(C)** agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Release. Except as set forth at the end of this Section 3, each Guarantor (if an individual, on behalf of him/herself and his/her heirs, representatives, successors and assigns, and if a business entity, on behalf of itself and its parent, subsidiaries and affiliates) (each a "Releasor" and collectively, "Releasors"), freely and without any influence forever releases and covenants not to sue CJR, its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "CJR Releasees"), from any and all claims, defenses (including, affirmative defenses), demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), which any Releasor now owns or holds or may in the future own or hold based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the Agreement and all other agreements between any Releasor and any CJR Releasee, the sale of a franchise to any Releasor, the development of any Franchised Restaurant and the development and operation of all other restaurants operated by any Releasor that are or were franchised by CJR or its parents, subsidiaries, affiliates or predecessors. Each Guarantor (on behalf of the applicable Releasors) expressly agrees that fair consideration has been given by CJR for this release and it fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims arising from representations in the Carl's Jr. Franchise Disclosure Document provided to any Releasor in connection with the Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for the Agreement as of the date of the Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436).

4. General Terms and Conditions. The following general terms and conditions shall apply to this Guarantee:

A. Each of the undersigned waives: **(1)** acceptance and notice of acceptance by CJR of the foregoing undertakings; **(2)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(3)** protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; **(4)** any right he may have to require that an action be brought against Developer or any other person as a condition of liability; **(5)** all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the execution of and performance under this Guarantee by the undersigned; **(6)** any law or statute which requires that CJR make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; **(7)** any and all other notices and legal or equitable defenses to which he may be entitled; and **(8)** any and all right to have any legal action under this Guarantee decided by a jury.

B. Each of the undersigned consents and agrees that: **(1)** his direct and immediate liability under this Guarantee shall be joint and several; **(2)** he shall render any payment or performance required under the Agreement if Developer fails or refuses punctually to do so; **(3)** such liability shall not be contingent or conditioned upon pursuit by CJR of any remedies against Developer or any other person; **(4)** such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which CJR may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Developer to CJR or its affiliates under the Agreement; and **(5)** monies received from any source by CJR for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by CJR. In addition, if any of the undersigned ceases to be a member of the Continuity Group, a 10% Owner, or own any direct or indirect interest in Developer or any of the Franchised Restaurants, that person (and his spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and effect unless CJR in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 12.C. of the Agreement shall remain in force and effect for a period of 2 years after any such release by CJR. A release by CJR of any of the undersigned shall not affect the obligations of any other Guarantor.

C. If CJR brings an action to enforce this Guarantee in a judicial proceeding or arbitration, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

D. If CJR utilizes legal counsel (including in-house counsel employed by CJR or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse CJR for any of the above-listed costs and expenses incurred by it.

E. If any of the following events occur, a default ("Default") under this Guarantee shall exist: **(1)** failure of timely payment or performance of the obligations under this Guarantee; **(2)** breach of any agreement or representation contained or referred to in this Guarantee; **(3)** the dissolution of,

termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or **(4)** the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

F. This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. CJR's interests in and rights under this Guarantee are freely assignable, in whole or in part, by CJR. Any assignment shall not release the undersigned from this Guarantee.

G. Sections 22.A. through 22.D. of the Agreement are incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal.

GUARANTORS:

NAME, INDIVIDUALLY

_____

Print name: _____

Address: _____

_____

Date: _____

NAME, INDIVIDUALLY

_____

Print name: _____

Address: _____

_____

Date: _____

NAME, INDIVIDUALLY

_____

Print name: _____

Address: _____

_____

Date: _____

APPENDIX A

DEVELOPMENT TERRITORY
(Recitals and Section 2)

The Development Territory shall be:

Developer's rights in the Development Territory shall be subject to the limitations described in Section 2. Any political boundaries contained in the description of the Development Territory shall be considered fixed as of the date of this Agreement and shall not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street, road and highway boundaries shall be deemed to include only the inside portion of the stated boundary.

APPENDIX B

DEVELOPMENT INFORMATION

1. **Development Fee (Section 4)**. The Development Fee paid by Developer is $_____.

2. **Development Schedule (Section 3.A.)**. As of the date of the Development Agreement, Developer and its affiliates operate _____ Franchised Restaurants in the Development Territory ("Existing Restaurants"). During the Development Term, Developer shall develop _____ new Franchised Restaurants in the Development Territory ("New Restaurants"), so that, as of each Opening Date listed below, Developer (and its affiliates) are operating at least the following cumulative number of Existing and New Restaurants:

Number of New Restaurants	Property Control Date	Opening Date	Cumulative Number of Existing and New Restaurants To Be Open and Operating in the Development Territory by the Opening Date, Including the New Restaurant To Be Established

3. **Interests in Other Restaurants (Section 12.C.(2)(b).** _____

_____

4. **Developer's Notice Address (Section 18).** _____

_____

_____

APPENDIX C

OWNERSHIP INTERESTS
(Section 8.C.)

If Developer is a business entity, the following is a list of all holders of a direct or indirect equity interest in Developer and their respective percentage interests.

Name	Address	Ownership Interest

Type of Business Entity:_____

CONTINUITY GROUP AND DEVELOPMENT PRINCIPAL
(Section 8.D. and Section 8.F.)

Developer's Continuity Group shall be comprised of the following persons:

_____

Developer's Development Principal is: _____

DEVELOPER:

By: _____

Title: _____ Date:_____

APPENDIX D

This Carl's Jr. Lease Addendum (this "Addendum") to that certain _____ dated as of _____, 20___ (the "Lease"), by and between _____ ("Landlord") and _____ ("Tenant") is entered into by Landlord and Tenant and incorporated into the Lease as of the effective date of the Lease, and is intended to provide Carl's Jr. Restaurants LLC or its affiliates (collectively "CJR"), with certain rights necessary to protect the integrity, goodwill, safety, and operational standards of CJR's system.

Notwithstanding anything to the contrary elsewhere in the Lease, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. **General Terms.** Pursuant to the Lease, Landlord shall lease to Tenant certain real property as defined in the Lease (the "Premises") for the operation of a franchised Carl's Jr. Restaurant ("Restaurant"). Tenant shall develop and operate the Restaurant pursuant to a franchise agreement with CJR (the "Franchise Agreement"), and the Lease is contingent upon Tenant's execution of the Franchise Agreement with CJR. The Franchise Agreement requires in part that the Lease contain certain provisions set forth in this Addendum.

2. **Effectiveness of Lease.** The effectiveness of the Lease is contingent upon Tenant's execution of the Franchise Agreement with CJR within 30 days after the date of this Addendum.

3. **CJR Access Rights**.

a. CJR possesses the right, at any time and from time to time, with or without notice to Tenant or Landlord, to enter and inspect the Premises for any purpose related to the operation, condition, safety, maintenance, or compliance of the Restaurant. CJR may inspect all areas of the Premises, all equipment, all inventory, all records, and all operational practices. CJR may conduct such inspections as frequently as it deems appropriate and may do so during or outside of business hours.

b. CJR possesses the right to enter the Premises to make any modifications or alterations necessary to protect the "Carl's Jr. Restaurant System" and the Proprietary Marks and charge Tenant for all costs incurred in making such modifications or alterations, all without being guilty of trespass or other tort.

4. **Tenant's Assignment.**

a. No assignment or sublease by Tenant shall be effective unless approved in writing by CJR, regardless of whether Landlord's consent is required under the Lease.

b. Tenant may assign the Lease, or any right or rights therein (including without limitation purchase options or rights of first refusal), to CJR or its parent, affiliates or subsidiaries or other franchisees without Landlord's consent, or to its designee with Landlord's consent, which

consent shall not be unreasonably withheld, in each case without payment of any assignment fee or similar charge or increase in any rentals or other charges payable to Landlord.

5. **Proprietary Marks.**

a. Landlord consents to Tenant's use of the proprietary signs, distinctive exterior and interior designs, colors and layouts, and the trademarks prescribed by CJR (collectively, the "Proprietary Marks"), and upon expiration or the earlier termination of the Lease, Landlord consents to permit Tenant, at Tenant's expense, to remove all such items and other trade fixtures, so long as Tenant repairs any damage to the Premises caused by such removal.

b. Following the expiration or earlier termination of the Lease or the Franchise Agreement, Tenant shall have the right to make those alterations and modifications (including removal and demolition of improvements installed by Tenant or CJR if necessary) to the Premises or any part thereof as may be necessary to clearly distinguish to the public the Premises from a Carl's Jr. Restaurant and also to make those specific additional changes as CJR reasonably may require for such purpose. This includes, but is not limited to, removal of all Proprietary Marks. If Tenant fails to promptly make the necessary alterations and modifications, CJR shall have the right to do so without being guilty of trespass or other tort so long as CJR makes repairs to the building caused by such removal.

6. **CJR Step-In Rights.**

a. **Short Term Step-In Rights.**

i. CJR possesses the right, at any time and from time to time, with or without notice to Tenant or Landlord, to enter the Premises and assume temporary control of all or any portion of the Premises' operations if CJR determines, in its sole and absolute discretion, that Tenant is failing to operate in accordance with CJR's system standards, that any condition or practice at the Premises poses or may pose a risk to health or safety, that Tenant's operations threaten or may threaten CJR's goodwill or the Proprietary Marks, or that Tenant has ceased, interrupted, reduced, or abandoned operations. During any step-in period, the Lease shall otherwise remain in effect, and CJR may operate the Restaurant directly or through its designees, may use Tenant's equipment, inventory, and supplies, and may take any actions CJR deems necessary or appropriate to protect its system, brand, or proprietary marks. CJR shall have no liability to Tenant or Landlord for any losses, costs, or damages arising from such step in operations.

ii. If CJR determines, in its sole and absolute discretion, that any condition, practice, operation, equipment, product, or activity at or relating to the Premises poses or may pose a risk to health or safety; violates or may violate CJR's system standards; threatens or may threaten CJR's goodwill or the Proprietary Marks; exposes or may expose CJR to legal, operational, or financial risk; or otherwise affects or may affect the proper operation of the Premises, then CJR may, but shall not be obligated to, enter the Premises immediately and without notice to take any actions it deems necessary or appropriate. Such actions may include correcting, repairing, replacing, removing, modifying, or altering any equipment,

inventory, products, signage, trade dress, branded materials, operational practices, or any other element of the Premises.

iii. CJR may, but shall not be obligated to, cure any default by Tenant under the Lease. CJR may cure any such default without notice to Tenant and without Landlord's consent. Any cure undertaken by CJR shall be deemed a cure by Tenant for all purposes under the Lease. Landlord shall not terminate the Lease or exercise any remedies against Tenant unless CJR has first been given a reasonable opportunity to cure, which opportunity shall be in addition to any cure period afforded to Tenant.

b. **Long Term Step-In Rights.**

i. Upon any default by Tenant under the Lease or upon any cessation, interruption, or abandonment of operations, CJR possesses the right to assume the Lease in place of Tenant, to designate an affiliate or approved franchisee to assume the Lease, or to require Landlord to enter into a new lease with CJR or its designee on the same terms and conditions as the Lease. No Landlord consent shall be required for any such assumption or new lease.

ii. Upon the expiration or earlier termination of the Franchise Agreement, CJR shall have the option, in accordance with its rights under the Franchise Agreement, to assume Tenant's rights and obligations under the Lease. CJR may exercise its step-in rights by giving written notice to the Landlord at any time following such expiration or earlier termination of the Franchise Agreement until 30 days after the later of (A) the date of such expiration or earlier termination or (B) the date Tenant ceases to operate the Restaurant.

iii. If Tenant fails to exercise, for any reason, (i) any term renewal or term extension right under the Lease or (ii) any purchase option or right of first refusal or similar right under the Lease, then CJR may exercise such right. Upon the exercise of such right by CJR, the Lease shall be deemed transferred and assigned to CJR, effective upon the commencement of the renewal or extension term, without any further action of the parties, and Landlord shall be deemed to consent to such transfer and assignment. Following CJR's exercise of such right, Tenant shall remain obligated under the Lease as an assignor of the same. CJR's exercise of the foregoing rights is subject to Tenant's right to exercise such rights, and if Tenant exercises such right pursuant to the terms of the Lease, CJR's exercise of such rights, whether before or after Tenant's exercise, shall be null and void. Following Tenant's failure to exercise the rights described above, whether by the elapsing of any applicable deadline to provide notice or by Tenant's provision of notice of its determination to waive such right, CJR shall be provided fourteen (14) days to exercise such rights following Landlord's delivery of written notice of Tenant's failure to CJR.

c. Tenant, and not CJR, shall be solely responsible for all obligations, debts and payments under the Lease and that CJR shall have no liability therefore. The foregoing shall also apply in the event that CJR assumes the Lease pursuant to the terms of this Addendum with respect to any obligations, debts or payments under the Lease arising prior to the date of CJR's assumption unless CJR expressly agrees otherwise in writing.

d. Landlord consents to Tenant's collateral assignment of the Lease to CJR or its designee, granting CJR the option, but not the obligation, to assume the Lease and/or any or all rights therein.

7. **Notices; Amendments.**

a. Landlord and Tenant shall provide CJR (at the same time as sent to the other party) a copy of all amendments, assignments, any notices of default, option and refusal right notices and any other material documents or correspondence or notices pertaining to the Lease and the Premises, including without limitation, tenant estoppel certificates and subordination agreements. CJR's mailing address, until further notice, for this purpose is Attention: Franchise Legal Team, 6700 Tower Circle, Suite 1000, Franklin, TN 37067.

b. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not permit the amendment of, or otherwise modify, the Lease in any manner that would affect any of the requirements set forth herein without CJR's prior written consent.

8. **Miscellaneous.** This Addendum shall apply during the entire term of the Lease, including any renewal term. To the extent there is any conflict between the terms set forth in the body of the Lease and the terms set forth in this Addendum, the terms of this Addendum will control. CJR is a third-party beneficiary of this Addendum solely for the purpose of enforcing any rights granted to or otherwise available to CJR under this Addendum. CJR possesses the independent right to enforce Tenant's obligations under the Lease directly against Tenant. CJR may demand performance, require compliance, or take any actions necessary to enforce the Lease or this Addendum.

In witness whereof, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

LANDLORD:	**TENANT:**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT D

FRANCHISE AGREEMENT

CARL'S JR. RESTAURANT FRANCHISE AGREEMENT

TABLE OF CONTENTS

Page

1. GRANT OF FRANCHISE 2
2. TERM 2
3. LEASE TERMS 5
4. CONSTRUCTION OF THE FRANCHISED RESTAURANT 5
5. RIGHT TO OPEN THE FRANCHISED RESTAURANT 8
6. FEES 9
7. RECORDKEEPING AND REPORTS 12
8. ADVERTISING AND PROMOTION 13
9. OPERATION PROCEDURES MANUAL 17
10. MODIFICATIONS OF THE SYSTEM 17
11. TRAINING 19
12. ADDITIONAL SERVICES BY CJR 19
13. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION 21
14. PROPRIETARY MARKS 30
15. INSURANCE 30
16. ORGANIZATION OF FRANCHISEE 34
17. TRANSFERS BY CJR 38
18. TRANSFERS BY FRANCHISEE 38
19. GENERAL RELEASE 42
20. COVENANTS 43
21. TERMINATION 45
22. OBLIGATIONS ON TERMINATION OR EXPIRATION 48
23. OPTION TO PURCHASE 49
24. RELATIONSHIP OF THE PARTIES 51
25. INDEMNIFICATION 52
26. CONSENTS, APPROVALS AND WAIVERS 52
27. NOTICES 53
28. FORCE MAJEURE 53
29. ENTIRE AGREEMENT 53
30. SEVERABILITY AND CONSTRUCTION 53
31. GOVERNING LAW, FORUM AND LIMITATIONS 55
32. MISCELLANEOUS 55

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
APPENDIX A - FRANCHISE INFORMATION
APPENDIX B - WEEKLY ROYALTY FEE
APPENDIX C - FRANCHISEE'S ADVERTISING AND PROMOTION OBLIGATION
APPENDIX D - OWNERSHIP INTERESTS
APPENDIX E - ACKNOWLEDGEMENT ADDENDUM
APPENDIX F – COMMENCEMENT DATE ADDENDUM
APPENDIX G – LEASE ADDENDUM
APPENDIX H – ACH AUTHORIZATION FORM
APPENDIX I – STAR UNIVERSITY LICENSE AGREEMENT

CARL'S JR. RESTAURANT FRANCHISE AGREEMENT

THIS AGREEMENT is made as of _____ by and between Carl's Jr. Restaurants LLC ("CJR"), a Delaware limited liability company, and _____ ("Franchisee").

RECITALS:

A. As a result of the expenditure of time, skill, effort and money, CJR and its predecessor have developed, and CJR owns, a unique and distinctive system ("System") relating to the development, establishment and operation of quick service restaurants ("Carl's Jr. Restaurants").

B. The distinguishing characteristics of the System include, without limitation, uniform and distinctive exterior and interior design, layout and trade dress, including specially designed decor and furnishings; an efficient kitchen and equipment layout featuring an automatic charbroiling cooking process; special recipes and menu items; procedures and techniques for food and beverage storage, preparation, service and sanitation; technical assistance and training through course instruction and manuals; and advertising and promotional programs. The System and its components may be changed, improved, and further developed by CJR from time to time.

C. CJR identifies the System by means of certain trade names, trademarks, service marks, trade dress, logos, insignias, slogans, emblems, symbols, designs and any combination thereof or any other indicia of source (collectively "Proprietary Marks") which CJR has designated or may in the future designate for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by CJR and/or its affiliates from time to time.

D. CJR continues to develop, use and control the use of these Proprietary Marks in order to identify for the public the source of services and products marketed under the Proprietary Marks and the System, and to represent the System's high standards of quality, appearance and service.

E. Franchisee desires to obtain a license to use the System and to develop and continuously operate one Carl's Jr. Restaurant ("Franchised Restaurant") at the location specified in attached Appendix A ("Franchised Location"), subject to the terms and conditions of this Agreement and in strict compliance with the standards and specifications established by CJR.

F. Franchisee understands and acknowledges the importance of CJR's high and uniform standards of quality, operations and service and the necessity of developing and operating the Franchised Restaurant (the "System Standards") in strict conformity with this Agreement, the Development Guide, and the Operation Procedures Manual ("OPM").

G. CJR is willing to grant Franchisee a license to develop and operate the Franchised Restaurant at the Franchised Location, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of CJR's grant to Franchisee of the right to develop and operate a Franchised Restaurant at the Franchised Location during the term of this Agreement, as well as the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

1. GRANT OF FRANCHISE

A. Grant

Subject to the provisions of this Agreement, CJR hereby grants to Franchisee the nonexclusive right ("Franchise") to develop and continuously operate the Franchised Restaurant at the Franchised Location and to use the Proprietary Marks in the operation of the Franchised Restaurant. Franchisee may not operate the Franchised Restaurant at any site other than the Franchised Location or offer and sell products through any other method or channel of distribution. Further, Franchisee may not relocate the Franchised Restaurant without CJR's prior written consent, which may be withheld by CJR in its sole discretion. If CJR approves a relocation of the Franchised Restaurant, it shall have the right to charge Franchisee for all reasonable expenses actually incurred in connection with consideration of the relocation request.

Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert its best efforts to promote and enhance the business of the Franchised Restaurant and that it will not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other Carl's Jr. Restaurants or other restaurants operated by Franchisee that are franchised by CJR or its affiliates or other restaurants as disclosed to CJR by Franchisee in Appendix A.

B. No Exclusivity

This Agreement does not give Franchisee any exclusive rights to use the System or the Proprietary Marks in any geographic area. Nothing in this Agreement prohibits CJR from, among other things: **(1)** operating or licensing others to operate at any location, during or after the term of this Agreement, any type of restaurant other than Carl's Jr. Restaurants; **(2)** operating or licensing others to operate, during the term of this Agreement, Carl's Jr. Restaurants at any location other than the Franchised Location; **(3)** operating or licensing others to operate, after this Agreement terminates or expires, Carl's Jr. Restaurants at any location, including the Franchised Location; and **(4)** merchandising and distributing goods and services identified by the Proprietary Marks at any location through any other method or channel of distribution. CJR reserves to itself all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement.

C. Forms of Agreement

Franchisee acknowledges that, over time, CJR has entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that CJR and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2. TERM

A. Initial Term

The Initial Term of this Agreement and the Franchise granted by this Agreement shall begin on the date of this Agreement and terminate at midnight on the day preceding the 20th anniversary of the date the Franchised Restaurant first opened for business, unless this Agreement is terminated at an earlier date pursuant to Section 21. CJR shall complete and forward to Franchisee a Commencement Date Addendum to memorialize the date the Franchised Restaurant first opened for business in the form substantially similar to Appendix F. Franchisee agrees to continuously operate the Franchised Restaurant during the Initial Term,

and in the event of casualty to the Franchised Restaurant that requires its closure, Franchisee must reopen the Franchised Restaurant for business within six months following the event of casualty unless a different time period is agreed to in writing by CJR.

Notwithstanding the foregoing, if, during the term of this Agreement, Franchisee, through no act or failure to act on its part (except the failure to extend the lease for the Franchised Location through the Initial Term of this Agreement), loses the right to possession of the Franchised Location, the Initial Term shall expire as of the date of the loss of the right to possession. However, if the right to possession is lost through no act or failure to act on Franchisee's part, Franchisee may relocate the Franchised Restaurant (without paying any additional initial franchise fee or transfer fee) at its expense and the Initial Term shall not expire if: **(1)** CJR accepts the new location; **(2)** Franchisee constructs and equips a Franchised Restaurant at the new location in accordance with the then-current System Standards and specifications; **(3)** a Franchised Restaurant at the new location is open to the public for business within 6 months after the loss of possession of the Franchised Location; and **(4)** Franchisee reimburses CJR for all reasonable expenses actually incurred by CJR in connection with the acceptance of the new location.

B. Renewal Term

(1) At the expiration of the Initial Term, Franchisee shall have an option to remain a franchisee at the Franchised Location for a Renewal Term of 10 years or, at Franchisee's option, 5 years. Franchisee must give CJR written notice of whether or not it intends to exercise its renewal option and the length of the proposed Renewal Term not less than 12 months, nor more than 24 months, before the expiration of the Initial Term. Notwithstanding the foregoing, if Franchisee subleases the Franchised Location from CJR, Franchisee must give CJR the notice described in the preceding sentence not less than 6 months, nor more than 12 months, before notice of renewal is required to be provided to the landlord under the master lease. Failure by Franchisee to timely provide CJR the required notice constitutes a waiver by Franchisee of its option to remain a franchisee beyond the expiration of the Initial Term.

(2) If Franchisee desires to continue as a franchisee for the Renewal Term, Franchisee must comply with all of the following conditions prior to and at the end of the Initial Term:

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

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

(c) Franchisee and its employees at the Franchised Restaurant shall be in compliance with CJR's then-current training requirements.

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

(e) Franchisee, all individuals who executed this Agreement and all guarantors of Franchisee's obligations shall have executed a general release and a covenant not to sue, in a form satisfactory to CJR, of any and all claims against CJR and its affiliates and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and CJR or its affiliates and Franchisee's operation of the Franchised Restaurant, other Carl's Jr. Restaurants operated by Franchisee and all other restaurants operated by Franchisee that are franchised by CJR or its affiliates.

(f) As determined by CJR in its sole discretion, Franchisee has operated the Franchised Restaurant and all of its other franchised Carl's Jr. Restaurants in accordance with the applicable franchise agreements and with the System Standards (as set forth in the OPM or otherwise and as revised from time to time by CJR) and has operated each of its other restaurants that are franchised by CJR or its affiliates in accordance with the applicable franchise agreement and system standards.

(3) Within 4 months after CJR's receipt of Franchisee's written notice of its desire to renew, CJR shall advise Franchisee whether or not Franchisee is entitled to remain a franchisee for the Renewal Term. If CJR intends to permit Franchisee to remain a franchisee for the Renewal Term, CJR's notice will contain preliminary information regarding actions Franchisee must take to satisfy Sections 2.B.(2)(b) and (c). If CJR does not intend to permit Franchisee to remain a franchisee for the Renewal Term, CJR's notice shall specify the reasons for non-renewal. If CJR chooses not to permit Franchisee to remain a franchisee for the Renewal Term, it shall have the right to unilaterally extend the Initial Term of this Agreement as necessary to comply with any applicable laws.

(4) If Franchisee remains a franchisee for the Renewal Term, CJR shall forward to Franchisee a new franchise agreement for the Renewal Term for Franchisee's signature at least 4 months prior to the expiration of the Initial Term. The form of renewal franchise agreement shall be the form then in general use by CJR for Carl's Jr. Restaurants (or, if CJR is not then granting franchises for Carl's Jr. Restaurants, that form of agreement as specified by CJR) and likely will differ from this Agreement, including, but not limited to, provisions relating to the royalty fee and advertising obligations.

(5) Franchisee shall pay CJR a renewal fee in the amount of $5,000 for a Renewal Term of 5 years or $10,000 for a Renewal Term of 10 years.

(6) Franchisee shall execute the renewal franchise agreement for the Renewal Term and return the signed agreement to CJR, along with the renewal fee, at least one month prior to the expiration of the Initial Term. Failure by Franchisee to sign the renewal franchise agreement and return it to CJR (along with the renewal fee) within this time shall, at CJR's option, be deemed an election by Franchisee not to renew the Franchise and shall result in termination of this Agreement and the Franchise granted by this Agreement at the expiration of the Initial Term. Provided Franchisee has timely complied with all of the conditions set forth in this Section 2.B., CJR shall execute the renewal franchise agreement and promptly return a fully-executed copy to Franchisee.

C. Holdover

If Franchisee continues to accept the benefits of this Agreement after the expiration of the initial term but does not satisfy the renewal conditions outlined in Section 2.B above then, at CJR's sole option, this Agreement may be treated as: (a) expired as of the date of the expiration and Franchisee will be operating without a franchise or license to do so and in violation of CJR's rights to the Marks, brand and System; or (b) continued on a month-to-month basis (an "Interim Period") and all of Franchisee's obligations will remain in full force and effect during the Interim Period as if the Agreement had not expired. Each Interim Period expires at the end of each calendar month unless this Agreement is renewed as provided for this Agreement. The Interim Period does not create any new franchise rights and upon expiration of the final Interim Period; provided Franchisee does not renew the rights licensed in this Agreement as specified in this Agreement, Franchisee will be bound by all post-term obligations as provided in this Agreement.

3. LEASE TERMS

If Franchisee has not previously provided CJR with a fully-signed copy of its lease or sublease for the Franchised Location, or proof that Franchisee has purchased the real estate for the Franchised Location, Franchisee shall immediately upon execution of this Agreement provide CJR with a copy of the fully-signed lease or sublease, together with the executed Carl's Jr. Lease Addendum in the form attached as Appendix G. For purposes of this Agreement, the effective date of the lease or sublease, or the closing date of the purchase of the real property, shall be the "Property Control Date".

4. CONSTRUCTION OF THE FRANCHISED RESTAURANT

A. Development Training

Franchisee shall complete, to CJR's satisfaction, any development training required by CJR. Franchisee shall pay CJR, for each person attending development training, a tuition fee as established by CJR from time to time. Franchisee also may attend optional development training as offered by CJR from time to time, subject to payment of a tuition fee as established by CJR from time to time. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee and its employees while attending development training and optional development training.

B. Restaurant Development

Franchisee assumes all cost, liability and expense for developing, constructing and equipping the Franchised Restaurant. CJR will furnish to Franchisee prototypical plans and specifications for a Carl's Jr. Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, storefront and color scheme. It shall be Franchisee's responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Location and Franchisee must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. Franchisee shall use only registered architects, registered engineers, and professional and licensed contractors.

Franchisee shall submit proposed construction plans, specifications and drawings for the Franchised Restaurant ("Plans") to CJR and shall, upon CJR's request, submit all revised or "as built" Plans during the course of such construction. CJR will review the Plans and notify Franchisee within 30 days after CJR receives the Plans, or such longer period as CJR requires, whether the Plans are approved. CJR's approval shall not be unreasonably withheld. Once CJR has approved the Plans and Franchisee has signed

each page of the Plans acknowledging the approval and Franchisee's obligations for compliance, no substantial change shall be made to the Plans without the prior approval of CJR, which shall not be unreasonably withheld. If, in the course of construction, any such change in the Plans is contemplated, CJR's approval must first be obtained before proceeding. CJR shall approve or disapprove Plan changes within 10 business days after receipt.

Franchisee is prohibited from beginning site preparation or construction prior to receiving written notification from CJR that it has approved the Plans. All construction must be in accordance with Plans approved by CJR and must comply in all respects with applicable laws, ordinances and local rules and regulations. The Franchised Restaurant may not open if construction has not been performed in substantial compliance with Plans approved by CJR, and this Agreement may be terminated if such non-compliance is not cured within a commercially reasonable amount of time. CJR may furnish guidance to Franchisee in developing the Franchised Restaurant and may periodically inspect the premises during its development.

C. Commencement and Completion of Construction

Construction of the Franchised Restaurant shall commence within 6 months after the Property Control Date ("Construction Commencement Date"). Site acceptance will be deemed to have been withdrawn, without notice to Franchisee, if Franchisee fails to commence construction within that time period.

Prior to the Construction Commencement Date, Franchisee shall have: **(1)** eliminated or otherwise satisfied all of the conditions set forth in this Agreement; **(2)** paid CJR the balance, if any, of the Initial Franchise Fees required by this Agreement; **(3)** if not previously signed, executed this Agreement; and **(4)** if not previously provided, provided CJR a copy of the fully-executed lease for the Franchised Location (containing those provisions specified by CJR in accordance with Section 3) or, if Franchisee owns the Franchised Location, proof of Franchisee's ownership interest. As used in this Agreement, construction shall have commenced only after Franchisee has obtained all required permits and: **(a)** with respect to a free-standing Franchised Restaurant, Franchisee has begun the installation of building footings with the intent to maintain continuous construction thereafter; or **(b)** with respect to a non free-standing Restaurant or a Restaurant being converted from a prior use, Franchisee has begun the installation of sub-floor plumbing with the intent to maintain continuous construction thereafter.

Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure as defined in Section 28) until completed. If events constituting Force Majeure cause a delay in the commencement of construction of the Franchised Restaurant, CJR shall proportionately extend the Opening Date for the Franchised Restaurant. Notwithstanding the occurrence of any events, except events constituting Force Majeure, construction shall be completed and the Franchised Restaurant shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement not later than 18 months after the Property Control Date ("Opening Date").

Franchisee agrees, at its sole expense, to do or cause to be done the following, by the Opening Date:

(1) Obtain and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses applicable to the Franchised Restaurant.

(2) Construct all required improvements to the Franchised Location and decorate the exterior and interior of the Franchised Restaurant in compliance with the Plans approved by CJR.

(3) Purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required for the Franchised Restaurant.

(4) Purchase an opening inventory for the Franchised Restaurant of only authorized and approved products and other materials and supplies.

D. Acquisition of Necessary Furnishings, Fixtures and Equipment

Franchisee agrees to use in the development and operation of the Franchised Restaurant only those fixtures, furnishings, equipment and signs that CJR has approved for Carl's Jr. Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Franchised Restaurant (interior and exterior) only those signs, emblems, lettering, logos and display materials that CJR approves in writing from time to time.

Franchisee shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers designated or approved by CJR, which may include CJR. If Franchisee proposes to purchase, lease or otherwise use any fixtures, furnishings, equipment or signs which have not been approved by CJR, Franchisee shall first notify CJR in writing and shall, at its sole expense, submit to CJR upon its request, sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those fixtures, furnishings, equipment and/or signs comply with CJR's specifications and standards. CJR will, in its sole discretion, approve or disapprove the items and notify Franchisee within 30 days after CJR receives the request, or such longer period as CJR requires.

If Franchisee builds any portion of the Franchised Restaurant outside of CJR's specifications without receiving CJR's prior written consent, CJR shall have the right to delay the opening of the Franchised Restaurant until Franchisee, at its sole expense, brings the Franchised Restaurant's development within full compliance of CJR's specifications.

E. Hardware and Software

Prior to the opening of the Franchised Restaurant, Franchisee agrees to procure and install such data processing equipment, computer hardware and software, required dedicated telephone and power lines, modems, printers and other computer-related accessory or peripheral equipment as CJR specifies in Section 13.E. of this Agreement, the Development Guide, the OPM, or otherwise. Franchisee shall provide all assistance required by CJR to bring Franchisee's computer system on-line with the computer system designated by CJR and maintained by CJR or its affiliates at the earliest possible time. Franchisee agrees that CJR shall have the free and unfettered right to retrieve any data and information from Franchisee's computers as CJR, in its sole discretion, deems appropriate, including electronically polling the daily sales, menu mix and other data of the Franchised Restaurant. All of the hardware and software specified to be installed or purchased, or activities Franchisee is to accomplish, and the delivery cost of all hardware and software, shall be at Franchisee's expense.

F. Inspection, Cooperation

During the course of construction and/or renovation, Franchisee shall (and shall cause Franchisee's architect, engineer, contractors, and subcontractors to) cooperate fully with CJR and its designees for the purpose of permitting CJR and its designees to inspect the Franchised Location and the course of construction of the Franchised Restaurant in order to determine whether construction is proceeding according to the Plans. Without limiting the generality of the foregoing, Franchisee, and Franchisee's architect, engineer, contractors and subcontractors shall: **(1)** supply CJR or its designees with samples of construction materials, test borings, corings, due diligence environmental studies, supplies, equipment and other material and reports, if any such tests, studies or reports indicate there may be material problems or as CJR or its designees may request; and **(2)** afford CJR's representatives and its designees access to the

Franchised Location and to the construction work in order to permit CJR and its designees to carry out their inspections.

G. Reports

From the Construction Commencement Date to the Opening Date, Franchisee shall submit to CJR, on or before the first day of each month (or more frequently if CJR requests), a report showing progress made toward completing construction and being prepared to open the Franchised Restaurant by the Opening Date.

H. Limitation of CJR's Liability

Notwithstanding the right of CJR to approve the Plans and to inspect the construction work at the Franchised Restaurant, CJR and its designees shall have no liability or obligation with respect to the Franchised Location, the design or construction of the Franchised Restaurant or the furnishings, fixtures and equipment to be acquired; CJR's rights being exercised solely for the purpose of ensuring compliance with the terms and conditions of this Agreement.

I. Financing

Without the prior written approval of CJR, which shall not be unreasonably withheld, the construction, renovation and/or operation of the Franchised Restaurant shall not be financed by a public or private offering of any right, title or interest in the Franchised Restaurant, the property upon which it is built or the receipts from its operation.

J. Franchise Management Training Program

Prior to the opening of the Franchised Restaurant, those employees hired by Franchisee to fill certain designated positions shall attend and successfully complete, to the satisfaction of CJR, the Franchise Management Training Program in accordance with Section 11.A. of this Agreement.

K. Final Inspection and Opening Date

Franchisee shall notify CJR in writing at least 30 days prior to the date Franchisee expects construction and/or renovation to be completed and a certificate of occupancy to be issued. If requested by CJR, Franchisee shall submit a copy of the certificate of occupancy to CJR. CJR reserves the right, after receiving Franchisee's notice, to conduct a final inspection of the Franchised Restaurant and its premises to determine if Franchisee has complied with this Agreement. CJR shall not be liable for delays or loss occasioned by its inability to complete its investigation and to make a determination within this period. Franchisee shall not open the Franchised Restaurant for business without CJR's express written authorization, which will not be granted unless Franchisee has satisfied the conditions contained in Section 5.

5. RIGHT TO OPEN THE FRANCHISED RESTAURANT

CJR will not authorize the opening of the Franchised Restaurant unless all of CJR's pre-opening requirements have been fully satisfied, including, but not limited to, the following:

A. Neither Franchisee nor any of its affiliates is in default under this Agreement or any other agreements with CJR or its affiliates, Franchisee is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant,

Franchisee is not in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant and, for the previous 6 months, neither Franchisee nor any of its affiliates has been in default beyond the applicable cure period under any agreement with CJR or its affiliates.

B. Franchisee and its affiliates are current on all obligations due CJR and its affiliates.

C. CJR is satisfied that the Franchised Restaurant was constructed and/or renovated and equipped substantially in accordance with the Plans approved by CJR and state and local codes and with the requirements of the System.

D. If the Franchised Location is leased, CJR has received a copy of the fully-executed lease which contains those provisions specified by CJR in accordance with Section 3 of this Agreement.

E. Franchisee has obtained a certificate of occupancy and any other required health, safety or fire department certificates.

F. Franchisee has certified to CJR in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals and related equipment, supplies and other items has been accomplished.

G. CJR has determined that: **(1)** CJR's Franchise Management Training Program has been successfully completed by the minimum number of Franchisee's employees required by CJR; and **(2)** Franchisee has hired and trained a sufficient number of staff in accordance with CJR's standards and the requirements of the System and this Agreement.

H. CJR has been furnished with copies of all insurance policies required by Section 15 or such other evidence of insurance coverage and payment of premiums as CJR reasonably may request.

I. If not previously paid, Franchisee has paid CJR the balance of the Initial Franchise Fee required by this Agreement and the opening training support team fee as required by CJR.

J. Provided all of the preceding conditions have been met, CJR will notify Franchisee of its approval to open the Franchised Restaurant. Notwithstanding the foregoing, CJR has the right to waive any of the foregoing conditions.

6. FEES

A. Initial Franchise Fee

Franchisee agrees to pay CJR an Initial Franchise Fee in the amount specified in Appendix A upon its execution of this Agreement. Any Development Fee previously paid by Franchisee to CJR with respect to the Franchised Restaurant shall be credited against the Initial Franchise Fee. Franchisee acknowledges and agrees that the Initial Franchise Fee is paid in consideration of CJR initially granting this Franchise, it was fully earned at the time paid, and it is not refundable for any reason whatsoever.

B. Royalty Fee

In addition to all other amounts to be paid by Franchisee to CJR, Franchisee shall pay CJR a nonrefundable and continuing royalty fee in an amount set forth in attached Appendix B for the right to use the System and the Proprietary Marks at the Franchised Location. If any taxes, fees or assessments are imposed on CJR by reason of its acting as franchisor or licensing the Proprietary Marks under this

Agreement, Franchisee shall reimburse CJR the amount of those taxes, fees or assessments within 10 days after receipt of an invoice from CJR. Royalties (and other amounts due under the Franchise Agreement) are payable by electronic funds transfer/ACH debit. If you fail to timely report Gross Sales and/or pay amounts when due, we may debit your account based on our estimate of Gross Sales (which may be based on available sales data, including point-of-sale and third party platform reporting) and may require additional security or collection procedures as permitted by this Franchise Agreement.

Gross Sales shall include all revenue from the sale of all services and products and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited) related to the Franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit. For the avoidance of doubt, Gross Sales includes all ancillary charges or fees, including delivery fees and other service charges charged to the customer in connection with a transaction involving the Franchised Restaurant, including those paid directly or indirectly by a customer or by a third party delivery or catering service (e.g., Uber Eats, Grubhub or DoorDash) in connection with delivery or catering services related to the Franchised Restaurant; provided, however, that Gross Sales shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority. For further clarity, Gross Sales shall be calculated based on the total amount charged to the customer for a transaction, before any commissions, fees, or other amounts are retained, deducted, or withheld by any third-party ordering, delivery, payment processing, or catering platform, regardless of whether such amounts are remitted to or received by Franchisee.

C. Advertising Fees

Franchisee also shall spend and/or contribute for advertising up to 7% of the Gross Sales of the Franchised Restaurant. The exact amount of the advertising fees to be spent and/or contributed by Franchisee, and the allocation of the advertising fees, as of the date of this Agreement, is set forth in Section 8 and attached Appendix C.

D. Digital Tech Fee

Franchisee shall pay CJR a nonrefundable Digital Tech Fee in an amount set forth in attached Appendix A. The Digital Tech Fee is due at the same time and must be paid in the same manner as the royalty fee and advertising fees. CJR reserves the right to change or modify the Digital Tech Fee as it deems appropriate.

E. Remittance Reports

Within 5 business days after the end of each fiscal week (as defined by CJR from time to time), Franchisee shall submit to CJR in writing (or by email, polling by computer or such other form or method as CJR may designate) the amount of Gross Sales from the Franchised Restaurant during the preceding fiscal week and such other data or information as CJR may require.

F. Payment of Fees

Within 10 calendar days after the end of each fiscal week ("Due Date"), Franchisee shall pay CJR the royalty fee, and the advertising fees required by Sections 6.B and 6.C., applicable to the Gross Sales for the fiscal week and any interest charges by electronic funds transfer. Additionally, and by the Due Date, Franchisee shall pay CJR the Digital Tech Fee as required by Section 6.D and any interest charges by electronic funds transfer. In connection with payment of these fees by electronic funds transfer, CJR may designate a day for payment different than the Due Date. On each Due Date, CJR will transfer from the

Franchised Restaurant's bank operating account ("Account") the amount reported to CJR in Franchisee's remittance report or determined by CJR by the records contained in the cash registers/computer terminals of the Franchised Restaurant. If Franchisee has not reported Gross Sales to CJR for any fiscal period, CJR will transfer from the Account an amount calculated in accordance with its estimate of the Gross Sales during the fiscal period. If, at any time, CJR determines that Franchisee has underreported the Gross Sales of the Franchised Restaurant, or underpaid the royalty fee or other amounts due to CJR under this Agreement, or any other agreement, CJR shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after CJR and Franchisee determine that such credit is due.

In connection with payment of the royalty fee, advertising fees, or other amounts payable under this Agreement by electronic funds transfer, Franchisee shall: **(1)** comply with procedures specified by CJR in the OPM or otherwise in writing; **(2)** concurrent with the execution of this Agreement, sign and deliver the ACH form attached as Appendix H; **(3)** perform those acts and sign and deliver any other documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 8.E.; and **(4)** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement. Franchisee shall not be entitled to set off, deduct or otherwise withhold any royalty fees, advertising contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by CJR of any of its obligations or for any other reason.

G. Interest; Returned Payment Fee

If any payments by Franchisee due to CJR are not received by CJR by the date due, Franchisee, in addition to paying the amount owed, shall pay CJR interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located, not to exceed 1.5% per fiscal period (as defined by CJR from time to time) or a portion of a fiscal period. Payment of interest by Franchisee on past due obligations is in addition to all other remedies and rights available to CJR pursuant to this Agreement or under applicable law. If any payment, check, draft, electronic or otherwise, is returned, or fails to process for any reason, including insufficient funds, stop payment orders, or invalid account information, Franchisee shall pay to CJR a Returned Payment Fee ("RPF") in the amount of $150 and will reimburse CJR for all expenses that it incurs on account of such rejection.

H. Partial Payments

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

by Franchisee. Acceptance of that payment by CJR will not result in that other entity being substituted for Franchisee.

I. Collection Costs and Expenses

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

7. RECORDKEEPING AND REPORTS

A. Recordkeeping

Franchisee agrees to use computerized cash and data capture and retrieval systems that meet CJR's specifications and to record sales of the Franchised Restaurant electronically or on tape for all sales at or from the Franchised Location. Franchisee shall keep and maintain, in accordance with any procedures set forth in the OPM, complete and accurate books and records pertaining to the Franchised Restaurant sufficient to fully report to CJR. Franchisee's books and records shall be kept and maintained using generally accepted accounting principles ("GAAP"), if Franchisee uses GAAP in any of its other operations, or using other recognized accounting principles applied on a consistent basis which accurately and completely reflect the financial condition of Franchisee. Franchisee will preserve all of its books, records and state and federal tax returns for at least 5 years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to CJR within 5 days after CJR's written request.

B. Periodic Reports

Franchisee shall, at Franchisee's expense, submit to CJR, in the form and manner (which may be through an online portal or website) prescribed by CJR: (i) a monthly profit and loss statement and balance sheet for the Franchised Business (both of which may be unaudited) within 30 days after the end of each month, and (ii) a quarterly profit and loss statement and balance sheet for Franchisee (both of which may be unaudited) within 30 days after the end of each fiscal quarter (as defined by CJR from time to time) during each fiscal year (as defined by CJR from time to time). CJR shall have the right, to be exercised in its sole discretion, to require that Franchisee provide CJR profit and loss statements and balance sheets at other times as requested by CJR. Each statement and balance sheet shall be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that it is true, correct and complete and uses accounting principles applied on a consistent basis which accurately and completely reflect the financial condition of Franchisee.

C. Annual Reports

At CJR's request, Franchisee shall, at its expense, provide to CJR either a reviewed or audited profit and loss statement and balance sheet for the Franchised Restaurant within 60 days after the end of each fiscal year to be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Restaurant during the period covered. CJR shall have the right, in its reasonable discretion,

to require that Franchisee, at Franchisee's expense, submit audited financial statements prepared by a certified public accounting firm acceptable to CJR for any fiscal year or any period or periods of a fiscal year.

D. Other Reports

Franchisee shall submit to CJR, for review or auditing, such other forms, reports, records, information and data as CJR may reasonably designate, in the form and at the times and places reasonably required by CJR, upon request and as specified from time to time in the OPM or otherwise in writing.

E. Public Filings

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

F. Audit Rights

CJR or its designee shall have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit Franchisee's books, records, and federal, state and local tax returns, and such other forms, reports, information and data as CJR reasonably may designate, applicable to the operation of the Franchised Restaurant. If an inspection or audit discloses an understatement of Gross Sales, Franchisee shall pay CJR, within 10 days after receipt of the inspection or audit report, the deficiency in the royalty fees and advertising contributions plus interest (at the rate and on the terms provided in Section 7.F.) from the date originally due until the date of payment. If an inspection or audit is made necessary by Franchisee's failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined by any audit or inspection to be greater than 2%, Franchisee also shall reimburse CJR for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room, board and compensation of CJR's employees or designees involved in the audit or inspection. The foregoing remedies shall be in addition to all other remedies and rights available to CJR under this Agreement or applicable law.

If Franchisee fails to provide CJR on a timely basis with the records, reports and other information required by this Agreement or, upon request of CJR, with copies of same, CJR or its designee shall have access at all reasonable times (and as often as necessary) to Franchisee's books and records for the purpose, among other things, of preparing the required records, reports and other information. Franchisee promptly shall reimburse CJR or its designee for all costs and expenses associated with CJR obtaining such records, reports or other information. Franchisee also acknowledges that CJR has the right at any time to communicate directly with Franchisee's lenders, any other creditors, any suppliers and all regulatory authorities regarding Franchisee, Franchisee's business or any aspect of the Franchised Restaurant.

8. ADVERTISING AND PROMOTION

A. Contributions/Expenditures by Franchisee

During the term of this Agreement, Franchisee shall have a weekly advertising and promotion obligation ("APO") in the amount set forth in Section 6.C. and Appendix C. Following written notice to

Franchisee, CJR may modify the amount and allocation of the APO subject to the provisions of Section 8.F. Franchisee shall pay, at the same time and in the same manner as the royalty fee, that portion of the APO as CJR may direct to the Production Fund in accordance with Section 8.B. The remainder of the APO shall be paid, at the same time and in the same manner as the royalty fee, to the Media Fund in accordance with Section 8.C. In addition to CJR's other rights and remedies provided for in this Agreement and under applicable law, if Franchisee is delinquent in paying any portion of its APO contribution, CJR reserves the right to suspend or withhold media placement and/or local market advertising expenditures in your market until your delinquency is cured.

B. Production Fund

CJR has established and will maintain and administer a fund for the creation and development of advertising, marketing, social media and public relations, research and related programs, gift card and loyalty programs, activities and materials that CJR, in its sole discretion, deems appropriate ("Production Fund"). Franchisee shall contribute to the Production Fund the amount set forth in Appendix C, as subsequently modified pursuant to Section 8.F. Carl's Jr. Restaurants operated by CJR and its affiliates shall contribute to the Production Fund on the same basis as comparable franchisees.

CJR or its designee shall direct all advertising, marketing, social media and public relations programs and activities financed by the Production Fund, with sole discretion over the creative concepts (including pricing), materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the Production Fund may be used among other things to pay the costs of preparing and producing such associated materials and programs as CJR or its designee may determine, including but not limited to video, audio and written advertising materials; employing advertising or activation agencies; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail, in-App support for third party delivery platforms like Doordash and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs - for clarity, this includes honoring all price components of any advertising, marketing and promotions instituted by the Production Fund. From time to time, CJR or its designee may furnish Franchisee with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges.

C. Media Fund

CJR has established and will maintain and administer a fund for working media costs ("Media Fund"). Franchisee shall contribute to the Media Fund the amount set forth in Appendix C, as subsequently modified pursuant to Section 8.F. Carl's Jr. Restaurants operated by CJR and its affiliates shall contribute to the Media Fund on the same basis as comparable franchisees.

CJR or its designee shall direct all advertising, marketing, social media and public relations programs and activities financed by the Media Fund, with sole discretion over the creative concepts (including pricing), materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the Media Fund may be used to pay the costs of preparing and producing such associated materials and programs as CJR or its designee may determine, including video, audio and written advertising materials; sponsorship of sporting, music, charitable or similar events; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising agencies to assist with these efforts; and supporting other advertising, promotional and marketing activities. Franchisee agrees to participate in all advertising, marketing, promotions, research

and public relations programs – for clarity, this includes honoring all price components of any advertising, marketing and promotions instituted by the Media Fund. From time to time, CJR or its designee may furnish Franchisee with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges.

In addition to CJR's other rights and remedies provided for in this Agreement and under applicable law, if Franchisee is delinquent in paying any portion of its Media Fund obligations, CJR reserves the right to suspend or withhold media placement and/or local market advertising expenditures in Franchisee's market until such time as Franchisee is current with respect to its Media Fund obligations.

D. Local Store Marketing

Franchisee may conduct approved local store marketing ("LSM") at its own expense. CJR or its designee periodically shall advise Franchisee of the advertising and sales promotions approved by CJR.

Franchisee may, during the period beginning 30 days before the scheduled opening of the Franchised Restaurant and continuing for 90 days after the Franchised Restaurant first opens for business ("Grand Opening Period"), conduct such grand opening advertising as CJR and Franchisee deem appropriate. CJR will reimburse Franchisee up to $5,000 for expenditures made for grand opening advertising during the Grand Opening Period if those expenditures were pre-approved by CJR and comply with this Section and if Franchisee submits written proof to CJR of the grand opening advertising and the expense for that advertising no later than 60 days after the end of the Grand Opening Period.

Local advertising and promotion materials may be purchased from any CJR approved source. If purchased from a source other than CJR or its affiliates or created or developed by Franchisee, these materials shall comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by CJR or its designee and shall be submitted to CJR or its designee at least 30 days prior to first use for its approval, which CJR may grant or withhold in its sole discretion. In no event shall Franchisee's advertising contain any statement or material which, in the sole discretion of CJR, may be considered: **(1)** in bad taste or offensive to the public or to any group of persons; **(2)** defamatory of any person or an attack on any competitor; **(3)** to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or **(4)** inconsistent with the public image of CJR or the System. Franchisee may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and TCPA, and applicable state advertising laws.

E. Treatment of Payments to CJR

CJR shall separately account for the Production Fund and the Media Fund, but neither of the funds shall be required to be segregated from CJR's other monies. None of the funds shall be used to defray any of CJR's general operating expenses. Each fund may hire employees, either full-time or part-time, for its administration. CJR and its affiliates may be reimbursed by each fund for expenses directly related to the fund's marketing programs including, without limitation, conducting market research, preparing advertising, promotions and marketing materials, and collecting and accounting for contributions to each fund. CJR may spend in any fiscal year an amount greater or less than the aggregate contribution of all Carl's Jr. Restaurants to each fund during that year or cause each fund to invest any surplus for future use by the fund. A statement of monies collected and costs incurred by each fund shall be prepared annually and shall be furnished to Franchisee within a reasonable period of time following a written request. CJR or its designee will have the right to cause each fund to be incorporated or operated through an entity separate from CJR at such time as CJR or its designee deems appropriate, and such successor entity shall have all rights and duties of CJR pursuant to this Section 8.

Franchisee understands and acknowledges that each fund is intended to enhance recognition of the Proprietary Marks and patronage of Carl's Jr. Restaurants. CJR will endeavor to utilize each fund to develop advertising and marketing materials and programs, and to place advertising that will benefit the System and all Carl's Jr. Restaurants contributing to the fund. However, Franchisee agrees that CJR is not liable to Franchisee and Franchisee forever covenants not to sue and holds CJR harmless of any liability or obligation to ensure that expenditures by each fund in or affecting any geographic area (including the Franchised Location) are proportionate or equivalent to the contributions to the fund by Carl's Jr. Restaurants operating in that geographic area, or that any Carl's Jr. Restaurant will benefit directly or in proportion to its contribution to each fund from the development of advertising and marketing materials or the placement of advertising. For the avoidance of doubt, Franchisee understands and acknowledges that Franchisee's benefit (if any) from its contributions to the Production Fund and Media Fund are not based on a dollar-in, dollar-out basis. Except as expressly provided in this Section 8, neither CJR nor its designee assumes any direct or indirect liability to Franchisee with respect to the maintenance, direction or administration of each fund.

CJR reserves the right, in its sole discretion, to: **(1)** suspend contributions to and operations of each fund for one or more periods that it determines to be appropriate; **(2)** terminate any fund upon 30 days' written notice to Franchisee and establish, if CJR so elects, one or more new advertising funds; and **(3)** upon the written request of any franchised or company restaurants, defer or waive, in whole or in part, any advertising fees required by this Section if, in CJR's sole judgment, there has been demonstrated unique, objective circumstances justifying any such waiver or deferral. On termination of a fund, all monies in the fund shall be spent for advertising and/or promotional purposes. CJR has the right to reinstate any fund upon the same terms and conditions set forth in this Agreement upon 30 days' prior written notice to Franchisee. CJR, in its sole discretion as it deems appropriate in order to maximize media effectiveness, may transfer monies from the Production Fund to the Media Fund or from the Media Fund to the Production Fund.

F. Changes in the APO

CJR has the right, following written notice to Franchisee, to reallocate the APO and to increase the APO; however, CJR will not increase the APO by more than ½% of Gross Sales in any 12 month period.

G. Loyalty Program

During the term of this Agreement, Franchisee must participate in all customer loyalty program(s) implemented by CJR. Franchisee shall ensure that the Franchised Restaurant has all required technology to properly operate the loyalty program in the Franchised Restaurant. Franchisee agrees to sign any loyalty program agreement as requested by CJR, either directly with CJR and/or with a third party provider, at any time during the term of this Agreement.

H. Participation in Promotions

As noted above, from time to time during the term of this Agreement, CJR may establish temporary or permanent promotional campaigns (e.g., limited time offers, gift cards, coupons, customer relationship management, and other supplemental marketing programs) applicable to the System as a whole or to specific advertising market areas. These promotional campaigns may also promote, or involve the participation of, restaurants or businesses other than Carl's Jr. Restaurants, such as restaurants or businesses operated under different brands that are operated or licensed by CJR's affiliates. Franchisee is required to participate in these promotional programs at Franchisee's own cost, including the costs to purchase, lease

and install all materials and technology necessary to participate in the promotional campaigns, including counter cards, posters, banners, signs, photographs, give-away items, branded items, and gift cards.

9. OPERATION PROCEDURES MANUAL

CJR shall during the term of this Agreement provide Franchisee with electronic access to, CJR's confidential and proprietary OPM which contains information and knowledge that is unique, necessary and material to the System. (As used in this Agreement, the term "OPM" also includes all written or electronic correspondence from CJR regarding the System, other publications, materials, drawings, memoranda, and electronic media that CJR from time to time may provide to Franchisee.) The OPM may be supplemented or amended from time to time by letter, email, bulletin, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a Carl's Jr. Restaurant. CJR reserves the right to furnish all or part of the OPM to Franchisee in electronic form or online (including by Intranet) and establish terms of use for access to any restricted portion of CJR's web site. Franchisee shall keep its copy (wither a hardcopy or in electronic form) of the OPM current and up-to-date with all additions and deletions provided by or on behalf of CJR and shall purchase whatever equipment and related services (including, without limitation, computer system, Internet service and adequate bandwidth, dedicated phone line, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the OPM develops, the master copy maintained by CJR at its principal offices shall control.

The OPM contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Franchised Restaurant. The OPM also may relate to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Franchised Restaurant; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Franchised Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures, operations and brand standards. Franchisee agrees at all times to operate the Franchised Restaurant in strict conformity with the OPM; to maintain the OPM at the Franchised Restaurant; to not reproduce the OPM or any part of it; and to treat the OPM as confidential and proprietary, and; to disclose the contents of the OPM only to those employees of Franchisee who have a need to know.

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

10. MODIFICATIONS OF THE SYSTEM

A. CJR, in its sole discretion, shall be entitled from time to time to change or modify the System, including modifications to the OPM, required training program, the menu and menu formats, the required equipment, the signage, the building and premises of the Franchised Restaurant (including the trade dress, decor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to CJR (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. Franchisee shall accept and use or display in the Franchised Restaurant any such changes or modifications in the System as if they were a part of the System at the time this Agreement was

executed, and Franchisee will make such expenditures as the changes or modifications in the System may reasonably require.

B. Within 30 days after receipt of written notice from CJR, Franchisee shall begin selling any newly authorized menu items and cease selling any menu items that are no longer authorized. All food, beverage and merchandise items authorized for sale at the Franchised Restaurant shall be offered for sale under the specific name designated by CJR. CJR, in its sole discretion, may restrict sales of menu items to certain time periods during the day. Franchisee shall establish menu prices in its sole and absolute discretion. For clarity, this means that Franchisee shall establish its regular menu prices but as noted above, CJR has the right to establish temporary or permanent promotional prices. If Franchisee has a suggestion for a new menu item or for a change to an authorized menu item or Franchisee desires to participate in a test market program, Franchisee shall provide CJR written notice prior to implementation in the form and method defined by CJR. Franchisee shall not add or modify any menu item or participate in a test market program without first having obtained CJR's prior written approval and executed a test agreement acceptable to CJR. Franchisee shall purchase any additional equipment and smallwares as CJR deems reasonably necessary in connection with new menu items. If CJR requires Franchisee to begin offering a new menu item which requires the purchase of additional equipment, a reasonable period of time, as determined in the sole discretion of CJR, shall be provided for the financing, purchase and installation of any such equipment before such new menu items must be offered for sale at the Franchised Restaurant.

C. Extensive structural changes, major remodeling and renovations, and substantial modifications to existing equipment and improvements to modernize and conform the Franchised Restaurant to the image of the System for new franchised and company restaurants shall be required: (i) as a condition of renewal, (ii) as a condition of CJR issuing its consent to a proposed transfer as defined further in Section 18 below, or (iii) at CJR's request (but not more often than every 5 years). Capital expenses necessary for the repair and maintenance of the Franchised Location and modifications required by applicable law or required to abate a hazardous situation are not subject to the time limitations described in the preceding sentence. Within 60 days after receipt of CJR's written notice regarding the required modernization, Franchisee shall prepare and complete drawings and plans, along with a project timeline, for the required modernization. These drawings and plans must be submitted to, and their use approved by, CJR prior to the commencement of work. Franchisee shall complete the required modernization within the time reasonably specified by CJR in its written notice.

D. CJR has the right, in its sole discretion, to waive, defer or permit variations from the standards of the System or the applicable agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. CJR shall have the right, in its sole discretion, to deny any such request CJR believes would not be in the best interests of the System.

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

11. TRAINING

A. Franchise Management Training Program

CJR shall provide Franchisee and those employees hired by Franchisee to fill certain designated positions the Franchise Management Training Program ("FMTP") in the operation of a Carl's Jr. Restaurant at those times and those places designated by CJR. The FMTP will include training at a Carl's Jr. Restaurant designated by CJR and training on Star University (StarU), our online Learning Management System. Franchisee, the General Manager, a minimum of 6 Shift Leaders and any other employees hired by Franchisee to fill certain designated positions shall attend and satisfactorily complete each element of the FMTP, specified by CJR. Franchisee's Operating Principal (as defined in Section 16.G.) also shall attend and satisfactorily complete each element of the FMTP if not previously completed. CJR reserves the right to modify or waive the training required based on an individual's or Franchisee's experience.

Franchisee shall pay CJR, for each person attending the FMTP, a tuition fee as established by CJR from time to time. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee's employees while attending the training. CJR reserves the right to dismiss from the training program any person whom CJR does not believe will perform acceptably in the position for which he has been hired by Franchisee and Franchisee shall provide a suitable replacement within one month of such dismissal.

B. Other Training

Prior to the Opening Date, Franchisee shall enter into the Star University License Agreement with CJR, in the form attached as Appendix I. If CJR elects to change the training provider during the Term or Renewal Term of this Agreement, Franchisee agrees to promptly enter into a replacement license agreement with the new training provider. CJR shall have the right (which may be exercised at any time and in CJR's sole discretion) to require that Franchisee, Franchisee's owners, the Operating Principal, the General Manager and any other employees hired by Franchisee to fill certain designated positions take and successfully complete other training courses in addition to the FMTP. CJR reserves the right to require Franchisee to pay a tuition fee for these additional training programs as established by CJR from time to time. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee's employees while attending the training.

These other training courses include, but are not limited to, food safety certification programs. Franchisee shall maintain at the Franchised Restaurant all certificates of completion for these food safety certification programs and, if required by applicable law, display the certificates at the Franchised Restaurant.

C. Training by Franchisee

Franchisee shall conduct such initial and continuing training programs for its employees as CJR may require from time to time and Franchisee shall ensure that all of its employees have been trained in the proper operation of the Franchised Restaurant.

12. ADDITIONAL SERVICES BY CJR

In addition to the services described elsewhere in this Agreement, during the term of this Agreement, CJR shall make the following services available to Franchisee:

A. Pre-Opening Assistance

CJR shall provide consultation and advice to Franchisee as CJR deems appropriate at no additional cost with regard to construction or renovation and operation of the Franchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, employee staffing and training, purchasing and inventory control and those other matters as CJR deems appropriate.

B. Opening of the Franchised Restaurant

Upon Franchisee's reasonable request, or at CJR's discretion, CJR shall provide assistance in opening training for the first or second new Franchised Restaurant in a new franchisee's portfolio, and in training Franchisee's employees as CJR deems appropriate in light of Franchisee's needs and the availability of CJR personnel. CJR has the right to charge Franchisee all reasonable expenses incurred in support of the restaurant opening, including but not limited to any travel, hotel, meals, employee wages, materials and supplies (as determined by CJR).

C. Post-Opening Assistance

CJR periodically, as it deems appropriate, shall advise and consult with Franchisee in connection with the operation of the Franchised Restaurant. CJR, as it deems appropriate, shall provide to Franchisee its knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, systems and tools, food and beverage preparation, sales promotion, service concepts, overall restaurant operations, financial metrics, and other areas. CJR may provide these services through visits by CJR's representatives to the Franchised Restaurant or Franchisee's offices, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications or other communications.

D. CJR's Right to Inspect the Franchised Restaurant

To determine whether Franchisee and the Franchised Restaurant are in compliance with this Agreement and with all specifications, quality standards, operating procedures and brand standards prescribed by CJR for the operation of Carl's Jr. Restaurants, CJR or its designees shall have the right at any reasonable time and without prior notice to Franchisee to: **(1)** inspect the Franchised Location; **(2)** observe, photograph and videotape the operations of the Franchised Restaurant for such consecutive or intermittent periods as CJR deems necessary; **(3)** remove samples of any food and beverage product, material or other products for testing and analysis (without paying for the samples); **(4)** interview personnel of the Franchised Restaurant; **(5)** interview customers of the Franchised Restaurant; and **(6)** inspect and copy any books, records and documents, including any electronic records, relating to the operation of the Franchised Restaurant or, upon the request of CJR or its designee, require Franchisee to send copies thereof to CJR or its designee. Franchisee agrees to cooperate fully with CJR or its designee in connection with any such inspections, observations, videotaping, product removal and interviews. Franchisee shall take all necessary steps to immediately correct any deficiencies detected during these inspections, including, without limitation, ceasing further sale of unauthorized menu items, correcting any critical food safety issues, correcting any identified deficiencies that adversely impact guest safety or the ability to operate the restaurant in conformance with OPM procedures or brand standards, and ceasing further use of any equipment, advertising materials or supplies that do not conform with the standards and requirements promulgated by CJR from time to time. If CJR deems such deficiencies to create an imminent health hazard to Franchisee's customers, CJR may direct Franchisee to temporarily close the Franchised Restaurant until all hazards are corrected to CJR's satisfaction pursuant to CJR's Closure Policy, as amended from time to time. Franchisee shall present to its customers such evaluation forms as are periodically prescribed by CJR and shall participate and/or request its customers to participate in any surveys performed by or on behalf of

CJR as CJR may direct. Franchisee will reimburse CJR for all costs related to the Franchised Restaurant associated with any and all of these inspections and related activities set forth above.

E. Delegation

CJR has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, including, but not limited to CJR's corporate parents, affiliates or agents or independent contractors with which CJR has contracted to perform CJR's

F. Nature and Assistance of Training

Franchisee agrees that CJR is not obligated to provide any training or assistance to Franchisee's particular level of satisfaction, but as a function of CJR's experience, knowledge, and judgement. Franchisee also acknowledges that CJR is not obligated to provide any services to Franchisee that are not set forth in this Franchise Agreement. BY VIRTUE OF COMMENCING OPERATIONS OF THE FRANCHISED RESTAURANT, FRANCHISEE ACKNOWLEDGES THAT CJR HAS FULFILLED ALL OF ITS OBLIGATIONS TO FRANCHISEE THAT CJR IS REQUIRED TO FULFILL PRIOR TO THE OPENING OF THE FRANCHISEE'S FRANCHISED BUSINESS.

13. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION

Products sold and services performed under the Proprietary Marks have a reputation for quality. This reputation has been developed and maintained by CJR, and it is of the utmost importance to CJR, Franchisee and all other franchisees of CJR that this reputation be maintained. In recognition of the mutual benefits that come from maintaining the reputation for quality enjoyed by the System, Franchisee covenants and agrees, with respect to the operation of the Franchised Restaurant, that Franchisee and its employees shall comply with all of the requirements of the System as set forth in the OPM or otherwise, and Franchisee additionally shall comply with the following:

A. Standards, Specifications and Procedures

Franchisee acknowledges that each and every detail of the appearance, layout, decor, services and operation of the Franchised Restaurant is important to CJR and other Carl's Jr. Restaurants. Franchisee agrees to cooperate with CJR by maintaining these high standards in the operation of the Franchised Restaurant. Franchisee further agrees to comply with all System specifications, recipes, standards and operating procedures (whether contained in the OPM or any other written communication to Franchisee) relating to the interior and exterior appearance, function, cleanliness and operation of a Carl's Jr. Restaurant, including, but not limited to: **(1)** type, quality, taste, weight, dimensions, ingredients, uniformity, manner of preparation, and sale of all food products and beverages sold at the Franchised Restaurant and all other products used in the packaging and sale of those products and beverages; **(2)** sales and marketing procedures and customer service; **(3)** advertising and promotional programs (including, for clarity, any promotional pricing); **(4)** layout, decor and color scheme of the Franchised Restaurant; **(5)** appearance and dress of employees; **(6)** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Franchised Restaurant; **(7)** submission of requests for approval of brands of products, supplies and suppliers; **(8)** use and illumination of signs, posters, displays, standard formats and similar items; **(9)** identification of Franchisee as the owner of the Franchised Restaurant; **(10)** types of fixtures, furnishings, equipment, smallwares and packaging; and **(11)** the make, type, location and decibel level of any game, entertainment or vending machine. Mandatory specifications, brand standards and operating procedures, including upgraded or additional equipment, that CJR prescribes from time to time in the OPM or otherwise communicates to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement.

B. Approved Products, Distributors and Suppliers

Franchisee acknowledges that the reputation and goodwill of Carl's Jr. Restaurants are based upon, and can only be maintained by, the sale of distinctive, high quality food products and beverages, and the presentation, packaging and service of such products and beverages in an efficient and appealing manner. CJR may develop certain proprietary food products that will be prepared by or for CJR according to CJR's proprietary special recipes and formulas. CJR also has developed standards and specifications for other food products, ingredients, seasonings, mixes, beverages, materials and supplies incorporated or used in the preparation, cooking, serving, packaging and delivery of prepared food products authorized for sale at Carl's Jr. Restaurants. Franchisee agrees that the Franchised Restaurant will: **(1)** purchase those food products developed by CJR pursuant to a special recipe or formula only from CJR, an affiliate of CJR or a third party designated and licensed by CJR to prepare and sell such products; and **(2)** purchase from manufacturers, distributors, vendors and suppliers (collectively "suppliers") approved by CJR all other goods, food products, ingredients, spices, seasonings, mixes, beverages, materials, supplies and cleaning products used in the preparation of products and cleanliness of the Franchised Restaurant (collectively "goods"), as well as advertising materials, furniture, fixtures, equipment, smallwares, menus, forms, paper and plastic products, packaging or other materials (collectively "materials") that meet the standards and specifications promulgated by CJR from time to time. CJR has the right to require that Franchisee use only certain brands and to prohibit Franchisee from using other brands. CJR may from time to time modify the list of approved brands and/or suppliers, and Franchisee shall not, after receipt of such modification in writing, reorder any brand from any supplier that is no longer approved.

CJR may approve one or more suppliers for any goods or materials and may approve a supplier only as to certain goods or materials. CJR may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Carl's Jr. Restaurants or any other group of restaurants franchised or operated by CJR or its affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by CJR. CJR may establish commissaries and distribution facilities owned and operated by CJR or an affiliate that CJR shall designate as an approved supplier.

If Franchisee proposes to purchase any goods or materials (that Franchisee is not required to purchase from CJR, an affiliate of CJR or a designated supplier) from a supplier that CJR has not previously approved, Franchisee shall submit to CJR a written request for such approval, or shall request the supplier to do so itself. CJR has the right to require, as a condition of its approval, that its representatives be permitted to inspect the supplier's facilities, and that such information, specifications and samples as CJR reasonably designates be delivered to CJR and/or to an independent, certified laboratory designated by CJR for testing prior to granting approval. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee. CJR reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the suppliers' failure to continue to meet any of the foregoing criteria.

Franchisee shall at all times maintain an inventory of approved goods and materials sufficient in quality and variety to realize the full potential of the Franchised Restaurant. CJR may, from time to time, conduct market research and testing to determine consumer trends and the salability of new food products and services. Franchisee agrees to cooperate in these efforts by participating in CJR's customer surveys and market research programs if requested by CJR. All customer surveys and market research programs will be at CJR's sole cost and expense, unless such survey or program has been approved by Franchisee and Franchisee has approved its proportionate cost. Franchisee shall not be allowed to test anything without first being requested to by CJR and signing a test letter agreement in a form satisfactory to CJR.

CJR and its affiliates disclaim all express or implied warranties concerning any approved goods, materials or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability. Franchisee acknowledges that CJR and its affiliates may, under appropriate circumstances, receive fees, payments, commissions, field-of-use license royalties, or other consideration from approved suppliers based on sales to franchisees, from promotional allowances and volume discounts. CJR may charge non-approved suppliers reasonable testing or inspection fees.

C. Health Standards

Franchisee must meet and maintain the highest public health standards and ratings applicable to the operation of the Franchised Restaurant. Franchisee must participate in all food safety and brand standards audit programs specified by CJR from time to time. The Franchised Restaurant must undergo the then current number of audits per year as required by CJR, which may be at Franchisee's expense, at CJR's sole discretion. The Franchised Restaurant must adhere to the terms outlined in the Red Audit Policy for third-party food safety audits. Franchisee must furnish to CJR, within five days after its receipt, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Restaurant. CJR's System Standards for health and safety are set forth in the OPM and other written materials. To the extent that any federal, state, or municipal agency's health and safety standards exceed those set forth in CJR's System Standards, the Franchised Restaurant must meet the federal, state, or municipal agency's standards to be in compliance with CJR's standards. Without limiting the foregoing, Franchisee and all required employees of Franchisee must obtain and maintain all necessary and required licenses and certificates for food service and food handling as may be required by applicable local rules and regulations or the OPM.

D. Menu Boards and Formats

CJR shall have the right to prescribe, and subsequently vary, one or more menu boards and formats to be utilized in the Franchised Restaurant. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters related to the menu (except regular menu prices). Prescribed menu boards and formats may vary depending on region, market size or other factors deemed relevant by CJR. If any menu board and format utilized by Franchisee ceases to be an authorized menu board and format, Franchisee shall have a reasonable period of time (not to exceed 6 months) to discontinue use of the old menu board and format and begin using an authorized menu board and format.

E. Hardware, Software and Security

Franchisee agrees to procure and install such data processing equipment computer hardware and software, required dedicated telephone and power lines, high speed Internet connections, modems, printers and other computer-related accessory or peripheral equipment as CJR specifies in the OPM or otherwise. All of the foregoing must be able to provide CJR that information, in that format/medium, as CJR reasonably may specify from time to time. Franchisee shall provide all assistance required by CJR to bring Franchisee's computer system on-line with the computer system designated by CJR and maintained by CJR or its affiliates at the earliest possible time. Franchisee agrees that CJR shall have the free and unfettered right to retrieve any data and information from Franchisee's computers as CJR, in its sole discretion, deems appropriate, including electronically polling the daily sales, menu mix and other data of the Franchised Restaurant. All of the hardware and software specified to be installed or purchased, or activities Franchisee is to accomplish, and the delivery cost of all hardware and software, shall be at Franchisee's expense.

Franchisee shall: **(1)** use the proprietary software program, system documentation manuals and other proprietary materials now and hereafter required by CJR in connection with the operation of the Franchised Restaurant; **(2)** if requested by CJR, execute CJR's standard software license or similar agreement; **(3)** input and maintain in Franchisee's computer such data and information as CJR prescribes in the OPM, software programs, documentation or otherwise; **(4)** purchase new or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices whenever adopted system-wide by CJR; **(5)** comply with Point to Point Credit Encryption Standards ("P2PE") and Payment Card Industry Data Security Standard ("PCI DSS") at all times, and if necessary to maintain such compliance, upgrade its technology, at Franchisee's expense; and **(6)** engage any vendor that CJR designates to ensure the security of Franchisee's data and compliance with P2PE and PCI DSS. Franchisee must maintain continuous PCI compliance and attest annually by providing a completed and signed PCI Attestation of Compliance (AOC) to CJR.

Franchisee acknowledges that computer systems are designed to accommodate a finite amount of data and terminals, and that, as these limits are reached, or as technology or software is developed in the future, CJR may, in its sole discretion, mandate that Franchisee: **(A)** add memory, ports and other accessories or peripheral equipment or additional, new or substitute software to the original computer system purchased by Franchisee; and **(B)** replace or upgrade the entire computer system with a larger system capable of assuming and discharging the computer-related tasks and functions specified by CJR. Franchisee also acknowledges that computer designs and functions change periodically and that CJR may desire to make substantial modifications to its computer specifications or to require installation of entirely different systems during the term of this Agreement or upon renewal of this Agreement.

To ensure full operational efficiency and communication capability between CJR's computers and those of all Carl's Jr. Restaurants, Franchisee agrees, at its expense, to keep its computer system in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to its computer hardware, software, telephone and power lines and other computer-related facilities as directed by CJR, and on the dates and within the times specified by CJR in its sole discretion. Upon termination or expiration of this Agreement, all computer software, disks, tapes and other magnetic storage media shall be returned to CJR in good operating condition, excepting normal wear and tear.

Franchisee agrees to utilize administrative, physical, and technical safeguards designed to protect systems and data from unauthorized access, disclosure, acquisition, destruction, use, or modification that are consistent with industry standards and best practices. Franchisee further agrees to adhere to any applicable law relating to data security. In the event of a suspected or actual data breach, Franchisee will notify CJR within 24 hours of becoming aware of the actual or suspected data breach and provide timely updates and information when requested by CJR. Franchisee will comply with industry standards and best practices regarding breach reporting and notification obligations and take all necessary and appropriate corrective action to remedy the data breach, prevent a recurrence of such a breach, and avoid and/or prevent any further loss or damage arising from the data breach.

F. Upkeep of the Franchised Restaurant

Franchisee shall constantly maintain and continuously operate the Franchised Restaurant and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. In addition, Franchisee shall promptly and diligently perform all necessary maintenance, repairs and replacements to the Franchised Restaurant as CJR may prescribe from time to time including periodic interior and exterior painting; resurfacing of the parking lot;

roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and decor.

Franchisee shall not make any material alterations to the Franchised Restaurant that affect operations or the image of the System without CJR's prior written approval. Franchisee acknowledges and agrees that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of Carl's Jr. Restaurants, to assist the Franchised Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Franchised Restaurant.

If the Franchised Restaurant is leased or subleased and the lease/sublease is renewed or extended (or a new lease/sublease is executed) during the Initial Term of this Agreement, Franchisee shall exercise good faith efforts to obtain the landlord's consent to inclusion of the lease provisions required by CJR pursuant to Section 3 of this Agreement.

G. Maximum Operation of the Franchised Restaurant

During the term of this Agreement, Franchisee shall use the Franchised Location solely for the operation of the Franchised Restaurant and shall maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Restaurant at its maximum capacity and efficiency for the minimum number of days and hours set forth in the OPM or as CJR otherwise prescribes in writing (subject to the requirements of local laws and licensing requirements).

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

H. Franchised Restaurant Management and Personnel

The Franchised Restaurant shall at all times be under the on-site supervision of one of the following designated individuals, who must meet, to the satisfaction of CJR, CJR's applicable training qualifications for their designated position: the Operating Principal, a Multi-Unit Manager, or a restaurant General Manager. Franchisee must, at all times, employ at the Franchised Restaurant at least one General Manager and a sufficient number of employees who have successfully completed the FMTP or CJR's then-current training as designated by CJR to ensure that the Franchised Restaurant operates in accordance with the System. If, at any time, Franchisee ceases to employ the required number of trained personnel, Franchisee has 30 days (from the date on which Franchisee has less than the required number of trained personnel) to hire and enroll replacement personnel in the FMTP or other designated training requirements, and 90 days to ensure that such replacement personnel has completed the required training requirements.

Franchisee, Franchisee's Operating Principal or, if applicable, the Multi-Unit Manager shall remain active in overseeing the operations of the Franchised Restaurant, including, without limitation, regular, periodic visits to the Franchised Restaurant and sufficient communications with CJR to ensure that the

Franchised Restaurant's operations comply with the operating standards as promulgated by CJR from time to time in the OPM or otherwise in written or oral communications.

Franchisee shall hire, and at all times employ, a sufficient number of trained employees for the Franchised Restaurant and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of the Franchised Restaurant, in human resources and customer relations. Franchisee shall establish at the Franchised Restaurant a training program for all employees that meets the standards prescribed by CJR. Franchisee will be solely responsible for: (1) hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Franchised Restaurant; (2) the terms of their employment and compensation; and (3) the proper training of the employees in the operation of the Franchised Restaurant.

Franchisee shall employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of CJR and the System and, while on duty, comply with the dress attire, personal appearance and hygiene standards set forth in the OPM. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to all customers and fellow employees of the Franchised Restaurant.

I. Signs and Logos

Subject to local ordinances, Franchisee shall prominently display in and upon the land and buildings of the Franchised Restaurant interior and exterior signs and logos using the name "Carl's Jr.", without any prefix or suffix, and those other names, marks, advertising signs and logos, of such nature, form, color, number, location and size, and containing that material as CJR may from time to time direct. Franchisee shall not display in or upon the Franchised Location any sign, logo or advertising media of any kind to which CJR objects.

J. Amusement Equipment

Franchisee shall not permit at the Franchised Restaurant any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film or video device not authorized by CJR.

K. Compliance with Laws and Good Business Practices

Franchisee shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the Franchised Restaurant. It is Franchisee's sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of the Franchised Restaurant and to ensure that such operation does not violate any federal, state or local law or regulation. For example, there are various federal laws that could affect the Franchised Restaurant and Franchisee must comply with such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). Additionally, Franchisee must comply with all local, state and federal laws and regulations applicable to the operation of the Franchised Restaurant, including health, sanitation, food handling, food preparation, waste disposal, packaging and waste disposal, including compliance with applicable extended producer responsibility ("EPR") laws, which may impose reporting, fee payment, and recycling obligations related to packaging materials used in your business, smoking restrictions and advertising and point-of-sale disclosures, including statements concerning the nutritional and dietary

characteristics of the food served at the Franchised Restaurant Franchisee must investigate these laws to understand your potential legal obligations. Further, Franchisee shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations governing or relating to the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment laws, including, without limitation, worker's compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising and promotion by Franchisee shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee shall, in all dealings with Franchisee's customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the goodwill associated with the Proprietary Marks or the business of CJR, CJR Affiliates, the System or other restaurants operated or franchised by CJR or CJR Affiliates.

Franchisee shall notify CJR in writing within 5 days after the commencement of: **(1)** any action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Franchised Restaurant; or **(2)** of any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Franchised Restaurant. If CJR requests in writing, Franchisee must reimburse CJR for any taxes, fees or assessments it incurs as a result of its role as franchisor of the Carl's Jr. brand or licensor of the Proprietary Marks that relate to Franchisee's compliance with federal, state or local laws.

L. Non-Cash Payment Systems

Franchisee shall accept debit cards, credit cards, stored value gift cards or other non-cash payment systems specified by CJR to enable customers to purchase authorized products and shall obtain all necessary hardware and/or software used in connection with these non-cash payment systems. At all times, Franchisee must maintain relationships with all issuers or service providers that CJR designates as mandatory, and Franchisee must refrain from using any services or providers that CJR has not approved in writing or that CJR has revoked its approval. CJR may modify its requirements and designate additional approved or required methods of payment and vendors for processing such payment. Franchisee shall reimburse CJR for all costs associated with such non-cash payment systems as they pertain to the Franchised Restaurant. In addition to the requirements set forth in Section 13.E. above, Franchisee must also comply with the Fair and Accurate Credit Transactions Act ("FACTA"). Franchisee must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies, or any other policies related to data privacy or data use, that CJR periodically may establish. Franchisee must notify CJR immediately if it is notified of a credit card or data breach related to the Franchised Restaurant and must fully cooperate with CJR and applicable authorities in resolving such breach. Further, Franchisee must cooperate with CJR fully regarding media statements and other items related to managing any such event for the purpose of protecting the Proprietary Marks and System as set forth below.

M. Gift Card Program

Franchisee must participate in the Carl's Jr. Gift Card Program or other gift card program that CJR specifies. If necessary, Franchisee must purchase the software, hardware, blank cards, and other items needed to sell and process gift cards or stored value cards, which CJR may specify in writing in the OPM or otherwise. Franchisee must sell and honor gift cards only in accordance with CJR's written standards. Franchisee must account for all gift card sales, gift card redemptions, and other gift card transactions in the manner CJR specifies in this Agreement, the OPM, or other standards. Franchisee agrees that it will enter

into a Participation Agreement with CJR's gift card service provider, Stored Value Systems, Inc., immediately after the opening of the Franchised Restaurant.

N. Delivery Services

CJR requires Franchisee to offer delivery services only through CJR's designated providers to customers in Franchisee's market. On or before the Opening Date of the Franchised Restaurant opens, Franchisee agrees to enter into the OLO Authorized Operator Agreement with Olo, Inc. Franchisee further agrees to enter into any participation agreement required with CJR's designated delivery providers at the same time (currently, the approved delivery providers are Uber Eats, Door Dash, and GrubHub). Unless CJR provides its prior written consent, Franchisee agrees that it will not provide its own delivery service or use its employees to deliver orders to Franchisee's customers.

O. Customer Satisfaction Programs

In order to (among other things) maintain and enhance the goodwill associated with the Proprietary Marks, the System and each Carl's Jr. Restaurant, Franchisee agrees to participate in programs initiated to verify customer satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) secret shoppers, customer survey, or other Quality Assurance ("QA") or similar programs as CJR may require. CJR will share the results of these programs, as they pertain to the Franchised Restaurant, with Franchisee. Franchisee will reimburse CJR for all costs related to the Franchised Restaurant associated with any and all of these programs.

P. Operations Assessment Programs

Franchisee must participate in operations assessment and evaluation programs that we designate from time to time to evaluate compliance with System Standards, including announced or unannounced audits of the Franchised Restaurant ("Operations Assessments"). We may conduct initial and follow-up Operations Assessments at such times and intervals as we determine in our discretion. If an Operations Assessment identifies non-compliance, Franchisee must promptly cure such deficiencies as required by CJR and may be required to undergo one or more re-assessments until compliance is achieved. CJR may charge a reasonable fee for follow-up or re-assessments, which will be payable upon demand and may be adjusted from time to time to reflect our costs, to the extent permitted by applicable law. Failure to participate in, or timely cure deficiencies identified through, an Operations Assessment constitutes a default under this Agreement.

Q. Consumer Information

Franchisee may only use Consumer Information (as defined below) to the extent necessary to perform Franchisee's obligations under this Agreement during the term hereof and subject to such instructions and restrictions as CJR may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Consumer Information" means any identifiers (including name, address, phone numbers, usernames, birthdates and e-mail addresses), sales, transaction, loyalty and payment history, and all other information about or related to any customer or prospective customer, including any information deemed "personal information" or "personal data" under applicable law. As used in this Agreement, the term "customer" refers to any person or entity (i) whose information is collected by any CJR system or application or included in any consumer or customer database, file or system owned or controlled by CJR, its parent, subsidiary or affiliate companies; (ii) who is included on any marketing or customer lists Franchisee develops or uses or any customer information generally collected and saved for any reason; (iii) who has purchased, purchases or intends to purchase products or services online, through an CJR application, or at the Franchised Restaurant; or (iv) who has been solicited to purchase any products

or services at the Franchised Restaurant. CJR may use Consumer Information as CJR deems appropriate, including sharing it with CJR's affiliates.

CJR owns all Consumer Information and may use Consumer Information as it deems appropriate (subject to applicable law), including disclosing it to vendors or sharing it with its affiliates for cross-marketing or other purposes. Franchisee may only use Consumer Information for the purpose of operating the Franchised Restaurant to the extent permitted under this Agreement, including the OPM, during the term hereof and subject to such restrictions as CJR may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee's collection, processing, storage and use of such Consumer Information, including, if required under applicable law, obtaining consents from individuals for CJR's and its affiliates' use of Consumer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Law(s)"), as well as data privacy and security policies, procedures and other requirements CJR may periodically establish. Franchisee must maintain reasonable, appropriate, and effective security controls to preserve the security, integrity, availability, confidentiality, and resilience of Consumer Information. Franchisee must notify CJR immediately of any suspected data breach at or in connection with the Franchised Restaurant or the business operated at the Franchised Restaurant. Franchisee must fully cooperate with CJR and its counsel in determining the most effective way to meet CJR's standards and policies pertaining to Privacy Laws, including those governing notification of data breach. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Consumer Information in Franchisee's control or possession.

Without limiting the foregoing, Franchisee represents, warrants, and covenants that:

(1) Franchisee will not "sell" or "share" (as defined under any Privacy Law) any Consumer Information or make Consumer Information available to any third party for valuable consideration;

(2) Franchisee will retain, use, or disclose Consumer Information only for the specific business purposes specified in this Agreement, and not for any other commercial or noncommercial purpose;

(3) Franchisee will not retain, use, or disclose Consumer Information outside of the direct business relationship between Franchisee and CJR;

(4) Franchisee will not combine Consumer Information received from or on behalf of CJR with personal information received from another source or collected from Franchisee's interactions with a consumer outside the operation of the Franchised Restaurant, except as specifically allowed under applicable Privacy Law;

(5) Franchisee shall not allow any person or entity (other than Franchisee's direct employees) to process Consumer Information without the express prior approval of CJR, and any such subcontracting shall be performed strictly in accordance with a written agreement that imposes obligations on such subcontractor that are at least as restrictive as those imposed on Franchisee under this Agreement. Franchisee shall be liable for the acts and omissions of all such subcontractors to the same extent Franchisee would be liable if performing the services of each subcontractor directly under the Agreement;

(6) When required by applicable Privacy Law, CJR will inform Franchisee of any consumer request (e.g., deletion, correction, access, and opt-out) that requires Franchisee's compliance and will provide Franchisee with the information within CJR's possession that is necessary for Franchisee to comply with the request. Franchisee will cooperate with CJR, and promptly (and in any event

within ten days following notice by CJR) provide any information and documents requested by Franchisee to respond to requests by customers under Applicable Laws. Franchisee will delete, modify, or correct any Consumer Information upon CJR's request unless Franchisee can prove that such request is subject to an exception under applicable law;

(7) Franchisee shall make available to CJR all information necessary for Franchisee to demonstrate compliance with its obligations under this Section 13(P). Franchisee will cooperate with CJR, its internal auditors and external auditors for the purpose of inspecting, examining, and assessing Franchisee's compliance with its obligations under this Section 13(P). This Auditing may be conducted through measures including, but not limited to, manual reviews and automated scans, as well as technical and operational testing. Auditing may take place at least once every twelve (12) months; and

(8) If Franchisee receives a Consumer Information request directly from a consumer under their state Privacy Law (e.g. a request to access, delete or correct Consumer Information) that may pertain to Consumer Information , Franchisee shall inform CJR of that request within one business day and cooperate with CJR to ensure that the consumer receives an appropriate and timely acknowledgement and response. Typically, an acknowledgement is required within 10 business days and a final response is required within 45 calendar days.

Franchisee certifies that it understands the restrictions in Paragraphs (1) – (5) of this section and will comply with them. Franchisee shall immediately (and in any event within five business days) notify CJR if it determines that it can no longer meet its obligations under this Section 13(P).Franchisee also acknowledges and agrees that CJR may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other federal, state or local privacy laws.

To the extent Franchisee's business is independently subject to any Privacy Laws, Franchisee must comply with all standards, laws, rules, regulations or any equivalent thereof relating to personal information, data privacy, and data protection that may apply to personal information not encompassed by the definition of "Consumer Information," above (for example, as relates to Franchisee's employees or job applicants). The requirements of this Section 13(P) are not intended to constitute legal advice or to imply that compliance with this Agreement fulfills all of Franchisee's potential obligations under the Privacy Laws. Franchisee should consider applicable federal, state and local laws, and consult its own legal counsel or advisors, as it deems necessary.

14. PROPRIETARY MARKS

The term "Proprietary Marks" as used in this Agreement refers to all trade names, trademarks, service marks, trade dress, logos, insignias, slogans, emblems, symbols, designs, and any combination thereof or any other indicia of source designated by CJR as identifying the System and the products sold and services provided in connection with the System. You acknowledge that CJR owns all rights, title, and interest in and to the Proprietary Marks and you have only such rights to use the Proprietary Marks as this Agreement grants. CJR shall, from time to time, advise Franchisee as to any additions or deletions to the Proprietary Marks and Franchisee's right to use the Proprietary Marks shall be deemed modified by those additions or deletions.

Franchisee's right to use the Proprietary Marks is limited to its use of the Proprietary Marks in the operation of the Franchised Restaurant at the Franchised Location and as expressly provided in this Agreement and the OPM. Franchisee's limited license extends only to use of the Proprietary Marks in accordance with (i) all applicable standards, operating procedures, policies and guidelines that we

prescribe—and from time to time amend—during the duration of this Agreement, including, without limitation, those set forth in the most current edition of the OPM and other publications, if any, dedicated to proper use of the Proprietary Marks; and (ii) all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices.

Franchisee shall not use the Proprietary Marks on any vehicles without the prior written approval of CJR. Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by CJR or in any corporate, limited liability company or partnership name and shall not use any other trade names, service marks or trademarks in conjunction with the Franchised Restaurant. If local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise make a filing indicating that the Proprietary Marks are being used as a fictitious or assumed name, Franchisee shall include in such filing or application an indication that the filing is made as a franchisee of CJR. Franchisee shall use the symbol ® with all registered trademarks and the symbol ™ with all pending registrations or other marks.

Franchisee shall not use the Proprietary Marks in any Internet domain name or e-mail address, in the operation of any Internet web site or on a social mediate platform including any social networking site, Facebook Twitter, Instagram, Pinterest, YouTube, Snapchat, Vince, blogs, podcasts and wikis or other future social media platforms and/or technological avenues (collectively, "Social Media"); not an exclusive list and term applies to any social networking website, mobile application, blog or microblog, public and private message boards, comment sections, etc.) without CJR's prior written consent. CJR may grant or withhold its consent in its sole discretion and may condition its consent on such requirements as CJR deems appropriate, including, among other things, that Franchisee obtain CJR's written approval of: **(A)** any and all Internet domain names and home page addresses related to the Franchised Restaurant; **(B)** the proposed form and content of any web site related to the Franchised Restaurant; **(C)** Franchisee's use of any hyperlinks or other links; **(D)** Franchisee's use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and **(E)** any proposed modification of Franchisee's web site. CJR may designate the form and content of Franchisee's web site and/or require that any such web site be hosted by CJR or a third party who CJR designates, using one or more web sites that CJR owns and/or controls. CJR may charge Franchisee a fee for developing, reviewing, securing, protecting or approving Franchisee's web site and/or for hosting the web site. CJR has established a Social Media policy for franchisees and Franchisee must comply with the Social Media policy, as modified from time to time, and any additional policies CJR issues. Any copyright in Franchisee's sites or pages on any Social Media are owned by CJR, and Franchisee must sign any documents that CJR reasonably deems necessary to affirm CJR's ownership of the copyright.

If CJR, in the exercise of its reasonable business judgment, should elect to use a principal name in addition to or other than "Carl's Jr." to identify System Restaurants generally or in the DMA in which the Franchised Restaurant is located, CJR may select another name and notify Franchisee to change all or some items bearing the Proprietary Marks to the new name within a reasonable period of time as determined by CJR without any liability to Franchisee, and Franchisee promptly shall adopt that name provided that CJR has committed to adopt that name and make the necessary changes in at least 60% of the System Restaurants operated by CJR or CJR Affiliates (if the change affects all System Restaurants) or, in all other circumstances, in at least 60% of the System Restaurants operated by CJR or CJR Affiliates in the DMA in which the Franchised Restaurant is located. Franchisee agrees that nothing in this Agreement gives it any right, title or interest in the Proprietary Marks (except the right to use the Proprietary Marks in accordance with the terms of this Agreement), that the Proprietary Marks are the sole property of CJR and CJR Affiliates, that Franchisee shall not directly or indirectly contest the validity or ownership of the Proprietary Marks or CJR's right to license the Proprietary Marks, and that any and all uses by Franchisee of the Proprietary Marks and the goodwill arising therefrom shall inure exclusively to the benefit of CJR and CJR

Affiliates. Franchisee will not seek to register, reregister, assert claim to ownership of, license or allow others to use, or otherwise appropriate to itself any of the Proprietary Marks or any mark or name confusingly similar thereto, or the goodwill symbolized by any of the foregoing except to the extent this action inures to the benefit of, and has the prior written approval of, CJR. Any unauthorized use of the Proprietary Marks by Franchisee or attempt by Franchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction shall constitute a breach of this Agreement and an infringement of the rights of CJR and CJR Affiliates in and to the Proprietary Marks.

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

15. INSURANCE

A. Franchisee shall be responsible for all loss or damage arising from or related to Franchisee's development and operation of the Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Restaurant. Franchisee shall, at its sole expense, maintain in full force and effect throughout the term of this Agreement that insurance which Franchisee determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 15.B. CJR, and any entity with an insurable interest designated by CJR, shall be an additional insured in such liability policies, except for workers' compensation/employer's liability, and loss payee for property to the extent each has an insurable interest.

B. All insurance policies shall be written by an insurance company or companies satisfactory to CJR, in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to Franchisee in writing. These policies shall include, at a minimum, the following:

(1) Commercial General Liability insurance with policy limits not less than $5,000,000 per occurrence and in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product liability and completed operations, not to exclude food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000.

(2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy.

(3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the Franchised Restaurant is operated. This coverage shall also be in effect for all of Franchisee's employees who participate in any of the training programs described in Section 13.

The required limits set forth in 15.B.(1)-(3) may be satisfied through a combination of Primary and Umbrella/Excess Liability coverage. If satisfied through an Umbrella/Excess Liability coverage, the Umbrella/Excess Liability must be "following form" of the underlying Commercial General Liability, Automobile Liability, and Employer's Liability coverages.

(4) Commercial Property insurance that extends coverage on a replacement cost basis for the Franchised Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V." Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories "E" or "D."

(5) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence.

(6) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the Franchised Restaurant, Franchisee's general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder's Risk with limits no less than $1,000,000, with CJR named as an additional insured, as well as Workers' Compensation and Employer's Liability as required by state law.

CJR may regulate the types, amounts, terms and conditions of insurance coverage required for the Franchised Restaurant, and standards for underwriters of policies providing required insurance coverage, including: **(a)** CJR's protection and rights under these policies as an additional insured or loss payee; **(b)** required or permissible insurance contract provisions; **(c)** assignment of policy rights to CJR; **(d)** periodic verification of insurance coverage that must be furnished to CJR and; **(e)** similar matters related to insured and uninsured claims. Franchisee shall receive written notice of such modifications and shall take prompt action to comply.

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

(1) Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured or loss payee shall be excess and non-contributory.

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

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

(4) Each insurance policy shall be written by an insurance company that has received and maintains an "A- VIII" or better rating by A.M. Best Company (or another rating service designated by CJR) and that is otherwise satisfactory to CJR.

(5) No insurance policy shall provide for a deductible amount that exceeds $100,000, unless otherwise approved in writing by CJR.

(6) Each insurance policy shall include a waiver of subrogation endorsement in favor of CJR and its affiliates.

(7) With respect to the Commercial General Liability, Automobile Liability and Umbrella/Excess Liability policies, CJR and its affiliates shall be named as Additional Insured on a primary and non-contributory basis. With respect to the Commercial Property coverage, CJR and its affiliates shall be named as Loss Payee.

D. All required insurance policies shall be in full force and effect and Franchisee shall submit to CJR evidence of satisfactory insurance and proof of payment therefore no later than the date the first of the following occurs: **(1)** 30 days prior to the scheduled opening date of the Franchised Restaurant; **(2)** the date Franchisee takes possession of the Franchised Location, or **(3)** the date construction commences at the Franchised Location, if Franchisee is contractually obligated for the construction. On each policy renewal date thereafter, Franchisee shall again submit evidence of satisfactory insurance and proof of payment therefor to CJR. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to CJR. Upon request, Franchisee also shall provide to CJR copies of all or any policies, and policy amendments and endorsements.

E. Franchisee acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by CJR that only such policies, in such amounts, are necessary to protect Franchisee from losses in connection with its business under this Agreement. Maintenance of this insurance, and the performance by Franchisee of its obligations under this Section, shall not relieve Franchisee of liability under the indemnification provisions of this Agreement.

F. Should Franchisee, for any reason, fail to procure or maintain at least the insurance required by this Section 15, as revised from time to time pursuant to the OPM or otherwise in writing, CJR shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Franchisee. All out-of-pocket costs incurred by CJR in obtaining such insurance on behalf of Franchisee shall be reimbursed to CJR by Franchisee immediately upon Franchisee's receipt of an invoice therefor.

16. ORGANIZATION OF FRANCHISEE

A. Representations

If Franchisee is a corporation, a limited liability company, a partnership or any other type of organization (collectively, "business entity"), Franchisee makes the following representations and warranties: **(1)** it is duly organized and validly existing under the laws of the state of its formation; **(2)** it is qualified to do business in the state or states in which the Franchised Restaurant is located; **(3)** execution of this Agreement and the development and operation of the Franchised Restaurant is permitted by its governing documents; and **(4)** unless waived in writing by CJR, Franchisee's governing documents shall at all times provide that the activities of Franchisee are limited exclusively to the development and operation of Carl's Jr. Restaurants and other restaurants that are franchised by CJR or its affiliates and that no Transfer (as defined in Section 18) of an ownership interest may be made except in accordance with Section 18.

If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: **(A)** each individual has executed this Agreement; **(B)** each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and **(C)** notwithstanding any transfer for convenience of ownership, pursuant to Section 18.D., each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

B. Governing Documents

If Franchisee is a business entity, Franchisee shall furnish CJR with copies of Franchisee's governing documents and any other corporate documents, books or records that CJR may request. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to CJR.

C. Ownership Interests

If Franchisee is a business entity, Franchisee must furnish CJR with a list of all holders of a direct or indirect ownership interest in Franchisee and their respective percentage interests. As of the date of this Agreement, all interests in Franchisee are owned as set forth in attached Appendix D. Franchisee shall comply with Section 18 prior to any change in ownership interests and shall update Appendix D as changes occur in order to ensure the information contained in Appendix D is true, accurate and complete at all times.

The requirements of this Section 16.C. shall apply only to Franchisee's Continuity Group (defined in Section 16.E.) if, as of the date of the first franchise-related agreement between Franchisee and CJR or one of its affiliates, Franchisee was a publicly-held entity (*i.e.*, an entity that has a class of securities traded on a recognized securities exchange or quoted on the inter-dealer quotation sheets known as the "pink sheets"). If Franchisee becomes a publicly-held entity after that date, it shall thereafter be required to update Appendix D only with respect to changes in ownership interests of members of the Continuity Group.

D. Restrictive Legend

If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Carl's Jr. Restaurant Franchise Agreement(s) to which the corporation is a party." If Franchisee is a publicly-held corporation these requirements shall apply only to the stock owned by Franchisee's Continuity Group. If Franchisee is a limited liability company, each membership or management certificate or other evidence of interest in Franchisee shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Carl's Jr. Restaurant Franchise Agreement(s) to which the limited liability company is a party." If Franchisee is a partnership, its written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement. If Franchisee is any other type of business entity, its organizational and governing documents shall provide that an ownership interest in the business entity is held subject to, and further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

E. Continuity Group

If Franchisee is a business entity, Appendix D lists those persons who comprise Franchisee's "Continuity Group." CJR and Franchisee acknowledge and agree that it is their intent that the members of the Continuity Group include the Operating Principal (defined in Section 16.G.) and **(1)** all holders of a direct or indirect legal or beneficial interest of 10% or more ("10% Owners") in Franchisee; **(2)** if Franchisee is a limited partnership, all 10% Owners of Franchisee's general partner; and **(3)** all 10% Owners of a business entity that owns a controlling interest in Franchisee. In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Franchisee shall update Appendix D to reflect the change. The Continuity Group shall at all times own at least 51% of the ownership interests in Franchisee.

F. Guarantees

All members of the Continuity Group and their spouses, if applicable, shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to the attached Guarantee and Assumption of Franchisee's Obligations ("Guarantee"). Notwithstanding the foregoing, CJR reserves the right, in its sole discretion, to waive the requirement that some or all of the previously described individuals execute the attached Guarantee and/or to limit the scope of the Guarantee. CJR reserves the right to require any guarantor to provide personal financial statements to CJR from time to time.

With respect to 10% Owners, Franchisee acknowledges that, unless otherwise agreed to in writing by CJR, it is CJR's intent to have individuals (and not corporations, limited liability companies or other entities) execute the Guarantee. Accordingly, if any 10% Owner is not an individual, CJR shall have the right to have the Guarantee executed by individuals who have only an indirect ownership interest in Franchisee and their spouses, if applicable. (By way of example, if a 10% Owner of Franchisee is a corporation, CJR has the right to require that the Guarantee be executed by individuals who have an ownership interest in that corporation and their spouses, if applicable.)

If Franchisee, any guarantor or any parent, subsidiary or affiliate of Franchisee holds any interest in other restaurants that are franchised by CJR or its affiliates, the party who owns that interest shall execute, concurrently with this Agreement, a form of cross-guarantee to CJR and its affiliates for the payment of all obligations for such restaurants, unless waived in writing by CJR in its sole discretion. For purposes of this Agreement, an affiliate of Franchisee is any company controlled, directly or indirectly, by Franchisee or Franchisee's parent or subsidiary.

G. Operating Principal

Franchisee shall designate and retain an individual to serve as the Operating Principal. (If Franchisee is owned by one individual, that individual may serve as the Operating Principal if the individual meets CJR's requirements for an Operating Principal.) The Operating Principal as of the date of this Agreement is identified in Appendix D. The Operating Principal shall meet all of the following qualifications:

(1) The Operating Principal shall have at least a 10% equity ownership interest in Franchisee or, if Franchisee is a limited partnership, in Franchisee's general partner, unless this requirement is modified by CJR in its sole discretion. This Section 16.G.(1) shall not apply if Franchisee was a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between Franchisee and CJR.

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

(3) Unless Franchisee has named and CJR has approved a Multi-Unit Manager:

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

(b) Unless waived in writing by CJR, the Operating Principal shall maintain his primary residence within a reasonable driving distance of the Franchised Restaurant.

(4) The Operating Principal shall successfully complete the FMTP and any additional training required by CJR.

(5) CJR shall have approved the Operating Principal, and not have later withdrawn that approval.

If the Operating Principal no longer meets these qualifications, Franchisee must provide CJR written notice designating a qualified person to act as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. CJR shall advise Franchisee whether it has approved the new Operating Principal within a reasonable time after receipt of Franchisee's notice. If CJR does not approve the proposed Operating Principal, Franchisee will have 15 days from its receipt of notice of the decision to advise CJR in writing of another person to act as Operating Principal who satisfies the preceding qualifications.

If Franchisee operates restaurants in multiple markets that are franchised by CJR or its affiliates, an individual meeting the qualifications of this Section will serve as the Operating Principal in at least one market.

H. Multi-Unit Manager

If Franchisee operates restaurants that are franchised by CJR or its affiliates in multiple geographic markets, for all markets in which the Operating Principal fails to satisfy the requirements of Section 16.G., Franchisee shall designate and retain an individual to serve as Multi-Unit Manager. The Multi-Unit Manager shall be under the supervision of the Operating Principal. The Multi-Unit Manager shall meet all of the following qualifications:

(1) The Multi-Unit Manager shall devote full time and best efforts to supervising the operation of the Franchised Restaurant and those other restaurants (that are franchised by CJR or its affiliates) operated by Franchisee in the same geographic market and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(2) Unless waived in writing by CJR, the Multi-Unit Manager shall maintain his primary residence within a reasonable driving distance of the Franchised Restaurant.

(3) The Multi-Unit Manager shall successfully complete the FMTP and any additional training required by CJR.

(4) CJR shall have approved the Multi-Unit Manager, and not have later withdrawn that approval.

If the Multi-Unit Manager no longer qualifies as such, Franchisee shall designate another qualified person to act as Multi-Unit Manager within 30 days after the date the prior Multi-Unit Manager ceases to be qualified. Franchisee's designee to become the Multi-Unit Manager must successfully complete the FMTP and any additional training required by CJR.

17. TRANSFERS BY CJR

CJR shall have the absolute, unrestricted right, exercisable at any time, to transfer and assign all or any part of its rights and obligations under this Agreement to any person or legal entity without the consent of Franchisee. Franchisee agrees that CJR will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred.

18. TRANSFERS BY FRANCHISEE

A. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that CJR has entered into this Agreement in reliance on Franchisee's (and Franchisee's direct and indirect owners') business skill, financial capacity, personal character, experience and demonstrated or purported ability in developing and operating high quality foodservice operations. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly has an interest in Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in Franchisee, this Agreement, the Franchise, the Franchised Restaurant, the assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to Franchisee's operations under this Agreement (collectively "Transfer") without the prior written consent of CJR, unless otherwise permitted by this Section.

Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having the prior written consent of CJR shall be null and void and shall constitute a material breach of this Agreement, for which CJR may terminate this Agreement without providing Franchisee an opportunity to cure the breach.

B. Franchisee shall advise CJR in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals and submit all other information requested by CJR relating to the proposed Transfer. If CJR does not exercise its right of first refusal pursuant to Section 18.J., the decision as to whether or not to consent to a proposed Transfer shall be made by CJR in its sole discretion and shall include numerous factors deemed relevant by CJR. These factors may include, but will not be limited to, the following:

(1) The proposed transferee (and if the proposed transferee is not a natural person, all persons that have any direct or indirect interest in the transferee as CJR may require) must demonstrate to CJR's satisfaction extensive experience in high quality restaurant operations of a character and complexity similar to Carl's Jr. Restaurants; must meet the managerial, operational, experience, quality, character and business standards for a franchisee promulgated by CJR from time to time; must possess a good character, business reputation and credit rating; must have an organization whose management culture is compatible

with CJR's management culture; and must have adequate financial resources and working capital, as determined by CJR in its sole discretion, to meet Franchisee's obligations under this Agreement.

(2) If the Transfer is a sale, the sales price shall not be so high, in CJR's reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Franchised Restaurant and meet financial obligations to CJR, third party suppliers and creditors. CJR's decision with respect to a proposed Transfer shall not create any liability on the part of CJR: **(a)** to the transferee, if CJR consents to the Transfer and the transferee experiences financial difficulties; or **(b)** to Franchisee or the proposed transferee, if CJR withholds consent to the Transfer. CJR, without any liability to Franchisee or the proposed transferee, has the right, in its sole discretion, to communicate and counsel with Franchisee and the proposed transferee regarding any aspect of the proposed Transfer.

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

(4) Franchisee is not then in material default of any provision of this Agreement or any other agreement between Franchisee and CJR or its affiliates, is in good standing as a franchisee with CJR and its affiliates, is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant and is not in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant.

(5) Franchisee or the proposed transferee, as determined by CJR, must complete all remodel, renovations, re-image, maintenance and facility upgrades to modernize and conform the Franchised Restaurant to the image of the System for new franchised restaurants.

(6) Franchisee, all individuals who executed this Agreement and all guarantors of Franchisee's obligations must execute a general release and a covenant not to sue, in a form satisfactory to CJR, of any and all claims against CJR and its affiliates and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and CJR or its affiliates and Franchisee's operation of the Franchised Restaurant and all other restaurants operated by Franchisee that are franchised by CJR or its affiliates.

(7) Unless waived by CJR in its sole discretion, the transferee and those employees hired by the transferee to fill certain designated positions shall complete the training provided in Sections 11.A.-B.

(8) The transferee and each of the transferee's affiliates that have entered into a development or franchise agreement with CJR or its affiliates must, as of the date of the request for CJR's consent to the Transfer, be in compliance with all obligations to CJR or its affiliates under those agreements.

C. If CJR consents to a proposed Transfer, prior to the Transfer becoming effective:

(1) The transferor shall pay CJR a nonrefundable Transfer fee in an amount not to exceed $2,500 per Franchised Restaurant in connection with CJR's review of the Transfer application.

(2) Franchisee and the proposed transferee shall execute, at CJR's election, an assignment agreement and any amendments to this Agreement deemed necessary or desirable by CJR to reflect the Transfer and/or CJR's then-current standard form of franchise agreement for an initial term ending on the expiration date of the Initial Term of this Agreement. In either event, a guarantee of the type required by Section 16.F. shall be executed by those individuals identified in Section 16.F. In addition, Franchisee, the proposed transferor and the proposed transferee shall sign all other documents and take such actions as CJR may require to protect CJR's rights under this Agreement.

(3) The transferor shall remain liable for all obligations to CJR incurred before the date of the Transfer and shall execute any and all instruments reasonably requested by CJR to evidence that liability.

D. If Franchisee is an individual or a partnership and desires to Transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, the requirements of Section 18..B. shall apply to such a Transfer; however, Franchisee will not be required to pay a Transfer fee. CJR's consent also will be conditioned on the following: **(1)** the corporation (or limited liability company) must be newly organized; **(2)** prior to the Transfer, CJR must receive a copy of the documents specified in Section 16.B. and the transferee shall comply with the remaining provisions of Section 16; and **(3)** Franchisee must own all voting securities of the corporation (or membership interests of the limited liability company) or, if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the Transfer.

E. Notwithstanding the provisions of Sections 18.A. and B., the issuance of options or the exercise of options pursuant to a qualified stock option plan or a qualified employee stock ownership plan shall not be considered a Transfer and shall not require the prior written consent of CJR; provided no more than a total of 49% of Franchisee's outstanding voting securities are subject to the qualified stock option plan or qualified employee stock ownership plan.

F. If Franchisee was a publicly-held entity as of the date of the first franchise-related agreement between Franchisee and CJR or its affiliates, Section 18.B. shall be applicable to transfers of ownership interests in Franchisee only if the proposed Transfer would result in: **(1)** 50% or more of Franchisee's voting securities being held by different shareholders than as of the date of the first franchise-related agreement between Franchisee and CJR or its affiliates; or **(2)** any change in ownership of Franchisee's voting securities whereby any existing shareholder of Franchisee acquires an additional 10% or more of Franchisee's voting securities; or **(3)** any change in the membership of the Continuity Group (unless such change is a permitted Transfer pursuant to Section 18.G.).

G. In the event of the death or permanent incapacity of any person with an ownership interest in Franchisee, CJR shall not unreasonably withhold its consent to a transfer to any person, persons, partnership or corporation designated by his legal representative, provided, however, that:

(1) The requirements of Section 18.B. and of 18.C. shall have been met.

(2) The proposed transfer is applied for in writing within 2 months of the date of death or permanent incapacity by the legal representative of such individual, and is effected within 6 months thereafter.

(3) In the case of permanent incapacity, the legal representative shall have furnished a certification of a physician designated by CJR that Franchisee has been or will be unable to operate the Franchised Restaurant for a period of 6 months or longer.

H. Franchisee shall not grant any security interest in its business, the Franchised Restaurant, the Franchised Location or the assets used in the operation of the Franchised Restaurant without CJR's prior written consent, which will not be unreasonably withheld. CJR's consent may be conditioned, in its sole discretion, on the written agreement by the secured party that, in the event of a default by Franchisee under any agreement related to the security interest, CJR shall have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of all sums then due to the secured party. If Franchisee (or any person with a direct or indirect interest in Franchisee) finances any part of the price paid in connection with the Transfer, the person or entity providing the financing must agree that all obligations of the proposed transferee and any security interests retained in the assets being transferred, will be subordinate to the proposed transferee's obligations to: **(1)** pay all amounts due to CJR and its affiliates; and **(2)** otherwise comply with this Agreement and all other agreements with CJR or its affiliates.

I. Securities or partnership interests in Franchisee may be sold, by private or public offering, only with CJR's prior written consent (whether or not CJR's consent is required under any other provision of this Section). In addition to the requirements of Section 18.B., prior to the time that any public offering or private placement of securities or partnership interests in Franchisee is made available to potential investors, Franchisee, at its expense, shall deliver to CJR a copy of the offering documents. Franchisee, at its expense, also shall deliver to CJR an opinion of Franchisee's legal counsel and an opinion of one other legal counsel selected by CJR (both of which shall be addressed to CJR and in a form acceptable to CJR) that the offering documents properly use the Proprietary Marks and accurately describe Franchisee's relationship with CJR and/or its affiliates. The indemnification provisions of Section 25 shall also include any losses or expenses incurred by CJR and/or its affiliates in connection with any statements made by or on behalf of Franchisee in any public offering or private placement of Franchisee's securities.

J. If any party holding any direct or indirect interest in Franchisee or in this Agreement receives a bona fide offer (as determined by CJR in its reasonable discretion) from a third party or otherwise desires to undertake any Transfer that would require CJR's consent (other than a Transfer for convenience of ownership pursuant to Section 18.D. or a Transfer of ownership interests to a parent, sibling, spouse or child), it shall notify CJR in writing of the terms of the proposed Transfer, and shall provide such information and documentation relating to the proposed Transfer as CJR may reasonably require, including, but not limited to, a copy of the offer. CJR or its designee may elect to purchase the interest that the seller proposes to Transfer any time within 30 days after receipt of written notification, and all documents and other information required by Section 18.B., by sending written notice to the seller that CJR or its designee intends to purchase the seller's interest on the same financial terms and conditions offered by the third party (except that CJR or its designee shall not be obligated to pay any finder's or broker's fees). In purchasing the interest, CJR or its designee shall be entitled to set off any monies owed to CJR or its affiliates by Franchisee and CJR or its designee shall be entitled to all customary representations and warranties that the assets are free and clear (or, if not, accurate and complete disclosure) as to: **(1)** ownership, condition and title; **(2)** liens and encumbrances; **(3)** environmental and hazardous substances; and **(4)** validity of contracts inuring to the purchaser or affecting the assets, whether contingent or otherwise.

If the offer to Franchisee involves assets in addition to this Agreement, the Franchised Location, the Franchised Restaurant and other restaurants operated by Franchisee that are franchised by CJR or its affiliates, Franchisee's notice to CJR shall state the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Franchised Location, the Franchised Restaurant and those other restaurants. If the proposed Transfer provides for payment of consideration other than cash or it involves intangible benefits, CJR or its designee may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties are unable to agree within 30 days on the reasonable equivalent in cash of the non-cash part of the offer received by Franchisee or the cash value of that portion of the offer received by Franchisee relating to this Agreement, the Franchised Location, the Franchised Restaurant and those other restaurants, the amount shall be determined by two professionally certified appraisers,

Franchisee selecting one and CJR or its designee selecting one. If the higher appraisal is more than 10% greater than the other appraisal, the two appraisers shall select a third professionally certified appraiser who also shall determine the amount. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and CJR or its designee may exercise its right of first refusal within 30 days after being advised in writing of the decision of the appraisers. The cost of the appraisers shall be shared equally by the parties.

CJR's failure to exercise its right of first refusal shall not constitute consent to the proposed Transfer nor a waiver of any other provision of this Section 18 with respect to a proposed Transfer. If CJR does not exercise its right of first refusal, Franchisee may not thereafter Transfer the interest at a lower price or on more favorable terms than those that have been offered to CJR. CJR shall again be given a right of first refusal if a transaction does not close within 6 months after CJR elected not to exercise its right of first refusal. In no event shall Franchisee offer the interest for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained the written consent of CJR to the auction or advertisement.

K. CJR's consent to any Transfer shall not constitute a waiver of any claims CJR may have against the transferring party, nor shall it be deemed a waiver of CJR's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor will it be deemed a waiver of CJR's right to give or withhold consent to future Transfers.

19. GENERAL RELEASE

Except as set forth at the end of this Section 19, Franchisee (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all individuals who execute this Agreement (each a "Releasor" and collectively, "Releasors"), freely and without any influence forever release and covenant not to sue CJR, its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "CJR Releasees"), from any and all claims, defenses (including affirmative defenses), demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), which any Releasor now owns or holds or may in the future own or hold based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any CJR Releasee, the sale of a franchise to any Releasor, the development of the Franchised Restaurant prior to the date of this Agreement and the development and operation of all other restaurants operated by any Releasor that are or were franchised by CJR or its parents, subsidiaries, affiliates or predecessors. Franchisee (on behalf of Releasors) expressly agrees that fair consideration has been given by CJR for this release and it fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims arising from representations in the Carl's Jr. Franchise Disclosure Document provided to Franchisee in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

20. COVENANTS

A. Best Efforts

During the term of this Agreement, Franchisee and the Operating Principal shall devote their full-time and best efforts to the development, management and operation of the Franchised Restaurant.

B. Confidentiality

Franchisee acknowledges and agrees that: (**1**) CJR owns all right, title and interest in and to the System; **(2)** the System includes trade secrets and confidential and proprietary information and know-how that gives CJR a competitive advantage; **(3)** the trade secrets and confidential and proprietary information and know-how derive independent economic value to CJR from not being generally known to and not readily ascertainable by others; **(4)** CJR has taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; **(5)** all material or other information now or hereafter provided or disclosed to Franchisee regarding the System including, without limitation, pricing information and models, is disclosed in confidence; **(6)** Franchisee has no right to disclose any part of the System to anyone who is not an employee of Franchisee; **(7)** Franchisee will disclose to its employees only those parts of the System that an employee needs to know; **(8)** Franchisee will have a system in place to ensure that its employees keep confidential CJR's trade secrets and confidential and proprietary information, and, if requested by CJR, Franchisee shall obtain from those of its employees designated by CJR an executed Confidential Disclosure Agreement in the form prescribed by CJR; **(9)** by entering into this Agreement, Franchisee does not acquire any ownership interest in the System; and **(10)** Franchisee's use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

Franchisee shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that CJR or its affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

C. Restrictions

(1) Franchisee acknowledges and agrees that: **(a)** pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and other confidential information from CJR and/or its affiliates regarding the development, operation, product preparation and sales, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques of CJR and its affiliates and the System; **(b)** the know-how regarding the System and the opportunities, associations and experience acquired by Franchisee pursuant to this Agreement are of substantial value; **(c)** in developing the System, CJR and its affiliates have made substantial investments of time, effort, and money; **(d)** CJR would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of Carl's Jr. Restaurants if franchisees or developers were permitted to engage in the activities described in Section 20.C.(2)(a) or to hold interests in the businesses described in Sections 20.C.(2)(b) and (3); **(e)** all restaurants operating in a quick-service format are substantial and direct competitors of the System; and **(f)** the restrictions on

Franchisee's right to hold interests in, or perform services for, the businesses described in Sections 20.C.(2)(b) and (3) will not unduly limit its activities.

(2) Accordingly, Franchisee covenants and agrees that, except with CJR's prior written consent, during the term of this Agreement, and for a continuous period of 2 years following its expiration, transfer, or termination, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any Carl's Jr. Restaurant to any competitor, by direct or indirect inducement or otherwise.

(b) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to, sell the property underlying the Franchised Location and related assets to, or have any interest in, either directly or indirectly, any restaurant business: **(i)** whose sales of Designated Entrée Items (as defined below) during any daypart are reasonably likely to account collectively for 20% or more of the restaurant's sales of all entrée items during that daypart; **(ii)** that features or promotes any Designated Entrée Item in its advertising; or **(iii)** that operates in a quick-service format (with or without table service). For purposes of the previous sentence, the term "Designated Entrée Items" means any hamburger sandwich, chicken sandwich, breakfast sandwich and any other entrée item of a type designated by CJR as part of the System at any time during the term of this Agreement. During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any restaurant business located within a 2 mile radius of the Franchised Location and any restaurant business within a 2 mile radius of any then-existing Carl's Jr. Restaurant. This restriction shall not apply to Franchisee's existing restaurant or foodservice operations, if any, which are identified in Appendix A, nor shall it apply to other restaurants operated by Franchisee that are franchised by CJR or its affiliates.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the 2 year period following the expiration, Transfer or termination of this Agreement, Franchisee fails to comply with its obligations under this Section, that period of noncompliance will not be credited toward Franchisee's satisfaction of the 2 year obligation.

(3) Franchisee acknowledges that the Franchised Location will acquire goodwill associated with the System and that it would be difficult for CJR to ascertain that Franchisee has no interest in the operation by a third party of a restaurant concept at that location that would, if operated by Franchisee, violate the restrictions of this Section 20. Accordingly, Franchisee further covenants and agrees that, during the term of this Agreement and for a period of 2 years following the expiration or earlier termination of this Agreement, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Franchised Location to any person, firm, partnership, corporation, or other entity which Franchisee knows, or has reason to know, intends to operate a restaurant business at the Franchised Location that would violate Section 20.C.(2)(b) if operated by Franchisee. Franchisee, by the terms of any conveyance selling, assigning, leasing or transferring its interest in the Franchised Location, shall include such restrictive covenants as are necessary to ensure that a restaurant business that would violate Section 20.C.(2)(b) if operated by Franchisee is not operated at the Franchised Location for this 2 year period, and Franchisee shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

D. Modification

CJR shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 20 effective immediately upon Franchisee's receipt of written notice, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 29.

E. Applicability

The restrictions contained in this Section 20 shall apply to Franchisee and all guarantors of Franchisee's obligations. With respect to each guarantor, these restrictions shall apply until 2 years after the earlier of: **(i)** the expiration, transfer, or termination of this Agreement; or **(ii)** the date the guarantor ceases to be the Operating Principal, a stockholder, member of the Continuity Group or a 10% Owner (or, if a guarantor is the spouse of a person holding one or more of these positions, the date the person ceases to hold the applicable positions). The restrictions contained in this Section 20 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation. The existence of any claim Franchisee or any guarantor of Franchisee's obligations may have against CJR or its affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by CJR of the covenants in this Section 20.

At CJR's request, unless otherwise prohibited by law, Franchisee will obtain covenants similar in substance to those set forth in this Section 20 from any of its stockholders, managers, directors, members, officers, or restaurant managers and from family members of guarantors.

F. Injunctive Relief

Franchisee acknowledges and agrees that violation of the covenants contained in this Section 20 will result in immediate and irreparable injury to CJR for which money damages are not an adequate remedy. Therefore, in addition to being responsible for any damages caused to CJR arising from Franchisee's violation of this Section 20, CJR shall be entitled to seek the entry of an injunction prohibiting any conduct by Franchisee in violation of this Section 20.

21. TERMINATION

A. Termination Without Cure Period

In addition to the grounds for termination that may be stated elsewhere in this Agreement, CJR may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Franchisee without an opportunity to cure upon the occurrence of any of the following events:

(1) Franchisee ceases to continuously operate the Franchised Restaurant for a period in excess of 5 consecutive days, unless the closing is due to a Force Majeure or is approved in writing in advance by CJR. If the closing is due to fire or other natural disaster, Franchisee must rebuild and reopen the Franchised Restaurant within six months following the fire or other natural disaster event or such longer period of time as agreed to with CJR.

(2) Franchisee is insolvent or is unable to pay its creditors (including CJR); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Franchisee a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Franchisee makes an assignment for the

benefit of creditors; or a receiver or trustee is appointed for Franchisee and not dismissed within 60 days of the appointment.

(3) Execution is levied against Franchisee's business or property; suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Restaurant is instituted against Franchisee and is not dismissed within 60 days; or the real or personal property of the Franchised Restaurant shall be sold after levy thereupon by any sheriff, marshal or constable.

(4) There is a material breach by Franchisee of any obligation under Section 20.

(5) Any Transfer that requires CJR's prior written consent occurs without Franchisee having obtained that prior written consent.

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

(7) Franchisee knowingly falsifies any report required to be furnished CJR or makes any material misrepresentation in its dealings with CJR or fails to disclose any material facts to CJR.

(8) Franchisee fails to open the Franchised Restaurant for business within 18 months after the Property Control Date or within 60 days after CJR first authorizes the opening of the Franchised Restaurant.

(9) CJR makes a reasonable determination that continued operation of the Franchised Restaurant by Franchisee will result in an imminent danger to public health or safety.

(10) Franchisee loses possession of the Franchised Location through its own fault or its failure to extend the lease for the Franchised Location through the Initial Term of this Agreement.

(11) Franchisee, the Operating Principal, any stockholder, member, partner, director or officer of Franchisee, any member of the Continuity Group or any 10% Owner is convicted of, or pleads no contest to, a felony charge; a crime involving moral turpitude; or any other crime or offense that is reasonably likely, in the sole opinion of CJR, to adversely affect CJR, its affiliates or the System.

(12) Franchisee, the Operating Principal, any member of the Continuity Group, any 10% Owner or any affiliate of Franchisee remains in default beyond the applicable cure period under any other agreement with CJR or its affiliates (provided that, if the default is not by Franchisee, Franchisee is given written notice of the default and a 30 day period to cure the default), or Franchisee remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Restaurant, or Franchisee remains in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant, or Franchisee fails to pay when due any taxes or assessments relating to the Franchised Restaurant or its employees, unless Franchisee is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

B. Termination Following Expiration of Cure Period

(1) Except for those items listed in preceding Section 21.A., Franchisee shall have 30 days after written notice of default from CJR within which to remedy the default and provide evidence of

that remedy to CJR. If any such default is not cured within that time, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless CJR notifies Franchisee otherwise in writing. Notwithstanding the foregoing, if the default cannot be corrected within 30 days, Franchisee shall have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that Franchisee begins taking the actions necessary to correct the default during the 30 day cure period and diligently and in good faith pursues those actions to completion. Franchisee will be in default under this Section 21.B.(1) for any failure to materially comply with any of the requirements imposed by this Agreement, the OPM or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) Notwithstanding the provisions of preceding Section 21.B.(1), if Franchisee defaults in the payment of any monies owed to CJR or its affiliates when such monies become due and payable and Franchisee fails to pay such monies within 10 days after receiving written notice of default, this Agreement will terminate effective immediately upon expiration of that time, unless CJR notifies Franchisee otherwise in writing.

(3) If Franchisee has received 2 or more notices of default within the previous 12 months, CJR shall be entitled to send Franchisee a notice of termination upon Franchisee's next default within that 12 month period under this Section 21.B. without providing Franchisee an opportunity to remedy the default.

(4) In addition to the other provisions of this Section 21.B, if CJR reasonably determines that Franchisee becomes or will become unable to meet its obligations to CJR or its affiliates under this Agreement, CJR may provide Franchisee written notice to that effect and demand that Franchisee provide those assurances reasonably designated by CJR, which may include security or letters of credit for the payment of Franchisee's obligations to CJR and its affiliates. If Franchisee fails to provide the assurances demanded by CJR within 30 days after its receipt of written notice from CJR, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless CJR notifies Franchisee otherwise in writing.

C. Termination Following Inspection

CJR shall have the right to periodically conduct inspections of the Franchised Restaurant to evaluate Franchisee's compliance with the System and this Agreement. Following each inspection, CJR will provide Franchisee an inspection report listing Franchisee's score on the inspection and those conditions at the Franchised Restaurant that must be rectified. If Franchisee fails to achieve a passing score on an inspection, the inspection report shall constitute a notice of default. If Franchisee fails to achieve a passing score on the next inspection (which shall be conducted at least 30 days after Franchisee's receipt of the inspection report for the prior inspection), CJR may terminate this Agreement, without opportunity to cure, by providing Franchisee written notice of termination along with the inspection report.

D. Statutory Limitations

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

22. OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Franchisee immediately shall cease operating the Franchised Restaurant.

B. Franchisee immediately shall pay CJR and its affiliates all sums due and owing CJR or its affiliates related to the Franchised Restaurant. In addition, if this Agreement is terminated following Franchisee's default, since it would be difficult, if not impossible, to determine the amount of damages that CJR will suffer as a result of Franchisee's breach, unless waived by CJR in its sole discretion, Franchisee immediately shall pay CJR, as damages and not as a penalty, the royalty fee that Franchisee would have paid during the period ("Damages Period") from the effective date of termination to the earlier of: **(1)** the 3-year anniversary of the effective date of termination; or **(2)** the date on which the Initial Term was scheduled to expire. The amount of such royalty fee during the Damages Period will be calculated by multiplying the average weekly royalty fee owed by Franchisee for the 52-week period prior to the effective date of termination by the number of weeks in the Damages Period. The obligation to pay this royalty fee survives termination of this Agreement and is in addition to, and not in lieu of, Franchisee's obligation to fully comply with its obligations under Section 20.C. following termination of this Agreement.

C. Franchisee promptly shall return to CJR the OPM, any copies of the OPM and all other materials and information furnished by CJR and delete all electronic copies of the OPM and all other materials and information furnished by CJR that are in Franchisee's possession. Franchisee promptly shall return to CJR, in good condition and repair excepting normal wear and tear, all computer software, disks, tapes and other electronic and magnetic storage media.

D. Franchisee and all persons and entities subject to the covenants contained in Section 20 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

E. Franchisee immediately shall discontinue all use of the Proprietary Marks in connection with the Franchised Restaurant and of any and all items bearing the Proprietary Marks; remove the Proprietary Marks from the Franchised Restaurant and from clothing, signs, materials, motor vehicles and other items owned or used by Franchisee in the operation of the Franchised Restaurant (unless CJR directs Franchisee to temporarily refrain from doing so while CJR determines if it will exercise its option under Section 23); cancel all advertising for the Franchised Restaurant that contains the Proprietary Marks (including telephone directory listings); and take such action as may be necessary to cancel any filings or registrations for the Franchised Restaurant that contain any Proprietary Marks.

F. Unless CJR directs Franchisee to temporarily maintain the existing appearance of the Franchised Location while CJR determines if it will exercise its option under Section 23, Franchisee promptly shall make such alterations and modifications to the Franchised Location as may be necessary to clearly distinguish to the public the Franchised Location from its former appearance and also make those specific additional changes as CJR may request for that purpose. If Franchisee fails to promptly make these alterations and modifications, CJR shall have the right (at Franchisee's expense, to be paid upon Franchisee's receipt of an invoice from CJR) to do so without being guilty of trespass or other tort.

G. Franchisee shall furnish CJR, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by an authorized officer of Franchisee) satisfactory to CJR of Franchisee's compliance with Sections 22.A. through 22.F.

H. Franchisee shall not, except with respect to a restaurant franchised by CJR or its affiliates which is then open and operating pursuant to an effective franchise agreement or a restaurant franchised by CJR or its affiliates which is under construction pursuant to a fully-signed franchise agreement: **(1)** operate or do business under any name or in any manner that might tend to give the public the impression that Franchisee is connected in any way with CJR or its affiliates or has any right to use the System or the Proprietary Marks; **(2)** make, use or avail itself of any of the materials or information furnished or disclosed by CJR or its affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(3)** assist anyone not licensed by CJR or its affiliates to construct or equip a foodservice outlet substantially similar to a Carl's Jr. Restaurant.

23. OPTION TO PURCHASE

A. Upon the expiration or termination of this Agreement for any reason, CJR will have the option to purchase from Franchisee some or all of the assets used in the Franchised Restaurant ("Assets"). CJR may exercise its option by giving written notice to Franchisee at any time following expiration or termination up until 60 days after the later of: **(1)** the effective date of termination or expiration; or **(2)** the date Franchisee ceases to operate the Franchised Restaurant. As used in this Section 23, "Assets" shall mean and include, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Restaurant, and the real estate fee simple or the lease or sublease for the Franchised Location. CJR shall be entitled to the entry of interlocutory and permanent orders of specific performance by a court of competent jurisdiction if Franchisee fails or refuses to timely meet its obligations under this Section 23.

B. CJR shall have the unrestricted right to assign this option to purchase the Assets. CJR or its assignee shall be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: **(1)** ownership, condition and title; **(2)** liens and encumbrances; **(3)** environmental and hazardous substances; and **(4)** validity of contracts and liabilities inuring to CJR or affecting the Assets, whether contingent or otherwise.

C. The purchase price for the Assets ("Purchase Price") shall be their fair market value, (or, for leased assets, the fair market value of Franchisee's lease) determined as of the effective date of purchase in a manner that accounts for reasonable depreciation and condition of the Assets; provided, however, that the Purchase Price shall take into account the termination of this Agreement. Further, the Purchase Price for the Assets shall not contain any factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the Franchised Restaurant nor any goodwill or "going concern" value for the Franchised Restaurant. CJR may exclude from the Assets purchased in accordance with this Section any equipment, vehicles, furnishings, fixtures, signs, and inventory that are not approved as meeting then-current standards for a Carl's Jr. Restaurant or for which Franchisee cannot deliver a Bill of Sale in a form satisfactory to CJR. CJR may offset the Purchase Price from any amounts Franchisee may owe to CJR or its affiliates.

D. If CJR and Franchisee are unable to agree on the fair market value of the Assets within 30 days after Franchisee's receipt of CJR's notice of its intent to exercise its option to purchase the Assets, the fair market value shall be determined by two professionally certified appraisers, Franchisee selecting one and CJR selecting one within 60 days after Franchisee's receipt of CJR's notice of intent to exercise its purchase option. If the higher appraisal is more than 10% greater than the other appraisal, the two appraisers shall select a third professionally certified appraiser who also shall appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and shall be the Purchase Price.

E. The appraisers shall be given full access to the Franchised Restaurant, the Franchised Location and Franchisee's books and records during customary business hours to conduct the appraisal and shall value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section 23. The appraisers' fees and costs shall be borne equally by CJR and Franchisee.

F. Within 10 days after the Purchase Price has been determined, CJR may exercise its option to purchase the Assets by so notifying Franchisee in writing ("CJR's Purchase Notice"). The Purchase Price shall be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which shall take place no later than 60 days after the date of CJR's Purchase Notice. From the date of CJR's Purchase Notice until Closing:

(1) Franchisee shall operate the Franchised Restaurant and maintain the Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Agreement; and

(2) CJR shall have the right to appoint a manager, at CJR's expense, to control the day-to-day operations of the Franchised Restaurant and Franchisee shall cooperate, and instruct its employees to cooperate, with the manager appointed by CJR. Alternatively, CJR may require Franchisee to close the Franchised Restaurant during such time period without removing any Assets from the Franchised Restaurant.

G. For a period of 60 days after the date of CJR's Purchase Notice ("Due Diligence Period"), CJR shall have the right to conduct such investigations as it deems necessary and appropriate to determine: **(1)** the ownership, condition and title of the Assets; **(2)** liens and encumbrances on the Assets; **(3)** environmental and hazardous substances at or upon the Franchised Location; and **(4)** the validity of contracts and liabilities inuring to CJR or affecting the Assets, whether contingent or otherwise. Franchisee will afford CJR and its representatives access to the Franchised Restaurant and the Franchised Location at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with Franchisee's operation of the Franchised Restaurant.

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

I. Prior to the Closing, Franchisee and CJR shall comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which the Franchised Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Franchised Restaurant prior to Closing. CJR shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to CJR, and the amount of any encumbrances or liens against the Assets or any obligations assumed by CJR.

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

K. If Franchisee owns the Franchised Location, CJR, at its option, will either purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with Franchisee on terms comparable to those for which similar commercial properties in the area are then being leased. The initial term of this lease with Franchisee shall be at least 10 years with 4 options to renew of 5 years each and the rent shall be the fair market rental value of the Franchised Location. If Franchisee and CJR cannot agree on the fair market rental value of the Franchised Location, the appraisers (selected in the manner described in Section 23.D.) shall determine the rental value.

L. At the Closing, Franchisee shall deliver instruments transferring to CJR or its assignee: **(1)** good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to CJR or its assignee), with all sales and other transfer taxes paid by the Franchisee; **(2)** all licenses and permits for the Franchised Restaurant that may be assigned or transferred, with appropriate consents, if required; and **(3)** the lease or sublease for the Franchised Location, with appropriate consents, if required. If Franchisee cannot deliver clear title to all of the purchased Assets as indicated in this Section, or if there are other unresolved issues, the Closing shall be accomplished through an escrow.

24. RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of CJR or its affiliates or a joint employer with CJR or its affiliates. Franchisee shall have no right or power to, and shall not, bind or obligate CJR or its affiliates in any way or manner, nor represent that Franchisee has any right to do so. Franchisee shall not issue any press releases without the prior written approval of CJR.

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

The sole relationship between Franchisee and CJR is a commercial, arms' length business relationship and, except as provided in Section 25, there are no third party beneficiaries to this Agreement. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by CJR. In all public records, in relationships with other persons, and on letterheads and business forms, Franchisee shall indicate its independent ownership of the Franchised Restaurant and that Franchisee is solely a franchisee of CJR. Franchisee shall post a sign in a conspicuous location in the Franchised Restaurant which will contain Franchisee's name and state that the Franchised Restaurant is independently owned and operated by Franchisee under a franchise agreement with CJR.

25. INDEMNIFICATION

A. Franchisee and all guarantors of Franchisee's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to CJR), and hold harmless (to the fullest extent permitted by law) CJR and its parents and affiliates, and their respective predecessors, successors, assigns, past and present stockholders, directors, managers, officers, employees, members, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against CJR and/or Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Franchisee's activities under this Agreement, excluding the gross negligence or willful misconduct of CJR. Franchisee promptly shall give CJR written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Franchisee and, upon request, shall furnish CJR with copies of any documents from such matters as CJR may request.

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

B. As used in this Section, the phrase "losses and expenses" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; judgments; compensation for damages to CJR's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

26. CONSENTS, APPROVALS AND WAIVERS

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

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

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

not be deemed to be a waiver by CJR of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

27. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Franchisee, addressed to Franchisee at the notice address set forth in Appendix A; and **(B)** if to CJR, addressed to CJR at its principal offices, current address: 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067 (marked Attn: Kerry Olson, General Counsel (Email: kolson@ckr.com) with a copy to Franchise Legal Team,) (Email: legal@ckr.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt or first rejection and may be: **(1)** delivered personally; **(2)** transmitted by email to the email address set forth above (or in Appendix A) with electronic confirmation of receipt; **(3)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(4)** mailed via overnight courier.

28. FORCE MAJEURE

As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Franchisee's inability to obtain financing (regardless of the reason) shall not constitute Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure to the other party by setting forth the nature thereof and an estimate as to its duration. Notwithstanding the foregoing, nothing in this Section shall permit or excuse any delay or failure to remit any payment due the other party on the due date.

29. ENTIRE AGREEMENT

CJR and Franchisee acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the OPM, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Franchisee's rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in the Carl's Jr. Franchise Disclosure Document provided to Franchisee.

30. SEVERABILITY AND CONSTRUCTION

A. Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is

determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which CJR is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

B. CJR has entered, and will continue to enter, into agreements with other franchisees. The manner in which CJR enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of CJR to enforce its rights or Franchisee's obligations under this Agreement. Except as otherwise provided in Section 25, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee and CJR and its affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

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

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

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

F. Franchisee agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of CJR will have any liability for: **(1)** any obligations or liabilities of CJR relating to or arising from this Agreement; **(2)** any claim against CJR based on, in respect of, or by reason of the relationship between Franchisee and CJR; or **(3)** any claim against CJR based on any alleged unlawful act or omission of CJR. This provision does not include a release of claims arising from representations in the Carl's Jr. Franchise Disclosure Document provided to Franchisee in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

31. GOVERNING LAW, FORUM AND LIMITATIONS

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

B. The parties agree that, to the extent any disputes cannot be resolved directly between them, Franchisee shall file any suit against CJR only in the federal or state court having jurisdiction where CJR's principal offices are located at the time suit is filed. CJR may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Franchisee resides or does business or where the Franchised Restaurant is or was located or where the claim arose. Franchisee consents to the personal jurisdiction of those courts over Franchisee and to venue in those courts.

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

D. Franchisee and CJR waive, to the fullest extent permitted by law, any right or claim of any consequential, punitive or exemplary damages against each other and agree that, in the event of a dispute between them, each shall be limited to the recovery of actual damages sustained by it. **Franchisee and CJR waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.**

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

F. No right or remedy conferred upon or reserved to CJR or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 31 shall survive the expiration or earlier termination of this Agreement.

32. MISCELLANEOUS

A. Gender and Number

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

B. Captions

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

C. Counterparts

This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original. This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

D. Time

Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Except where otherwise noted, days shall be measured by calendar days, provided that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Injunctive Relief

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

F. Authority

All information Franchisee provided to CJR in connection with Franchisee's franchise application and CJR's grant of this Franchise is truthful, complete and accurate. The persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement and the other agreements contemplated by the parties. Execution of this Agreement or such other agreements by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any person with an ownership interest in Franchisee is a party.

G. Control During Crisis Situation

If an event occurs at the Franchised Restaurant that may damage the Proprietary Marks, the System or the reputation of CJR (collectively "Crisis Situation"), Franchisee shall: **(1)** immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and **(2)** immediately inform CJR by telephone of the Crisis Situation. Franchisee shall refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by CJR or public health officials).

To the extent CJR deems appropriate, in its sole and absolute discretion, CJR or its designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation,

conducting all communication with the news media and/or temporarily closing the Franchised Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, CJR or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate. Franchisee and its employees shall cooperate fully with CJR or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by CJR from to time hereafter. The indemnification under Section 25 shall include all losses and expenses that may result from the exercise by CJR or its designee of the management rights granted in this Section 32.G.

H. Compliance with U.S. Laws

Franchisee acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 ("Order"), CJR is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, Franchisee represents and warrants to CJR that as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is designated under the Order as a person with whom business may not be transacted by CJR, and that Franchisee: **(1)** does not, and hereafter shall not, engage in any terrorist activity; **(2)** is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and **(3)** is not acquiring the rights granted under this Franchise Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

I. FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

If Franchisee is a resident of one of the states listed in the heading of this Section 32.I (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of the Franchised Restaurant in the Applicable Franchise Registration State, then the following applies:

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.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

CJR:

CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Carl's Jr. Restaurant Franchise Agreement dated as of _____ ("Agreement") by Carl's Jr. Restaurants LLC ("CJR"), entered into with _____ ("Franchisee"), the undersigned ("Guarantors"), each of whom is a member of Franchisee's Continuity Group or a 10% Owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to CJR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the restrictions contained in Section 20 of the Agreement.

2. Guarantee and Assumption of Franchisee's Obligations. Guarantors hereby: **(A)** guarantee to CJR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee's interest under the Agreement shall: **(1)** punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and **(2)** punctually pay all other monies owed to CJR and/or its affiliates; **(B)** agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 20 and 25; and **(C)** agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Release. Except as set forth in this Section 3, each Guarantor (if an individual, on behalf of him/herself and his/her heirs, representatives, successors and assigns, and if a business entity, on behalf of itself and its parent, subsidiaries and affiliates) (each a "Releasor" and collectively, "Releasors"), freely and without any influence forever release and covenant not to sue CJR, its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "CJR Releasees"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), which any Releasor now owns or holds or may in the future own or hold based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the Agreement and all other agreements between any Releasor and any CJR Releasee, the sale of a franchise to any Releasor, the development of any Franchised Restaurant and the development and operation of all other restaurants operated by any Releasor that are or were franchised by CJR or its parents, subsidiaries, affiliates or predecessors. Each Guarantor (on behalf of the applicable Releasors) expressly agrees that fair consideration has been given by CJR for this release and it fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims arising from representations in the Carl's Jr. Franchise Disclosure Document provided to any Releasor in connection with the Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for the Agreement as of the date of the Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

4. General Terms and Conditions. The following general terms and conditions shall apply to this Guarantee:

A. Each of the undersigned waives: **(1)** acceptance and notice of acceptance by CJR of the foregoing undertakings; **(2)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(3)** protest and notice of default to any party with respect to the

indebtedness or nonperformance of any obligations hereby guaranteed; **(4)** any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; **(5)** all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; **(6)** any law or statute which requires that CJR make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; **(7)** any and all other notices and legal or equitable defenses to which he may be entitled; and **(8)** any and all right to have any legal action under this Guarantee decided by a jury.

B. Each of the undersigned consents and agrees that: **(1)** his direct and immediate liability under this Guarantee shall be joint and several; **(2)** he shall render any payment or performance required under the Agreement if Franchisee fails or refuses punctually to do so; **(3)** such liability shall not be contingent or conditioned upon pursuit by CJR of any remedies against Franchisee or any other person; **(4)** such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which CJR may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to CJR or its affiliates under the Agreement; and **(5)** monies received from any source by CJR for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by CJR. In addition, if any of the undersigned ceases to be a member of the Continuity Group, a 10% Owner, an officer or director of Franchisee or own any direct or indirect interest in Franchisee or the Franchised Restaurant, that person (and his spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and

effect unless CJR in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 17.C. of the Agreement shall remain in force and effect for a period of 2 years after any such release by CJR. A release by CJR of any of the undersigned shall not affect the obligations of any other Guarantor.

C. If CJR brings an action to enforce this Guarantee in a judicial proceeding or arbitration, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

D. If CJR utilizes legal counsel (including in-house counsel employed by CJR or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse CJR for any of the above-listed costs and expenses incurred by it.

E. If any of the following events occur, a default ("Default") under this Guarantee shall exist: **(1)** failure of timely payment or performance of the obligations under this Guarantee; **(2)** breach of any agreement or representation contained or referred to in this Guarantee; **(3)** the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against,

any of the undersigned; and/or **(4)** the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

F. This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. CJR's interests in and rights under this Guarantee are freely assignable, in whole or in part, by CJR. Any assignment shall not release the undersigned from this Guarantee.

G. Sections 31.A. through 31.F. of the Agreement are incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature on the dates set forth below.

GUARANTORS:

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

APPENDIX A

FRANCHISE INFORMATION

1. Franchised Location (Recitals):

_____

2. Initial Franchise Fee (Section 6.A.):

_____

3. Interests in Other Restaurants (Section 20.C.(2)(b)): _____

_____

4. Franchisee's Notice Address (Section 27): _____

_____

_____

5. Digital Tech Fee: currently, $160 per 4-week accounting fiscal period, for access to OLO, Data Menu Management, Data Management (customer data processing) and Future (enterprise data management and content management system). Additionally, the Digital Tech Fee may also be used to offset and/or recoup costs, fees and expenses (including employee overhead) CJR incurs related to building and managing the digital initiatives and platforms. Required technology and the Digital Tech Fee are subject to change or modification upon prior notice to Franchisee.

- **Effective August 11, 2026**, the Digital Tech Fee will be a variable fee equal to 3% of Gross Sales generated through First Party Digital Channels (as defined below), subject to the following monthly minimums and maximums:

- Year 1: $160 minimum / $600 maximum

- Year 2: $160 minimum / $700 maximum

- Year 3: $160 minimum / $800 maximum

First Party Digital Channels means Gross Sales generated through the online and mobile ordering platforms, applications, websites, and related digital technologies that are owned, controlled, or developed by us (or its affiliates) for use in connection with the Carl's Jr. brand. Additionally, and for purposes of calculating the variable Digital Tech Fee: (a) Gross Sales will be net of discounts applied through First Party Digital Channels and will exclude one-third of loyalty receipt scan transactions; and (b) the applicable minimum and maximum monthly fee amounts described above will apply during each of the first three years following implementation of the variable fee.

APPENDIX B

WEEKLY ROYALTY FEE

The weekly royalty fee as provided for in Section 6.B. of the Franchise Agreement is as follows:

Year of Operation of the Franchised Restaurant		Percentage of Gross Sales

APPENDIX C

FRANCHISEE'S ADVERTISING AND PROMOTION OBLIGATION

Franchisee's APO under Section 8 of the Franchise Agreement shall be as set forth below, unless and until modified by CJR as provided in Section 8:

1.	Production Fund (Section 8.B.)	_____ % of Gross Sales
2.	Media Fund (Section 8.C.)	_____ % of Gross Sales
	TOTAL APO:	_____ % of Gross Sales (not more than 7%)

APPENDIX D

OWNERSHIP INTERESTS
(Section 16.C)

If Franchisee is a business entity, the following is a list of all holders of a direct or indirect equity interest in Franchisee and their respective percentage interests.

Name	Address	Ownership Interest

Type of Business Entity:_____

CONTINUITY GROUP AND OPERATING PRINCIPAL
(Section 16.E. and Section 16.G.)

Franchisee's Continuity Group shall be comprised of the following persons:

_____

Franchisee's Operating Principal is: _____

FRANCHISEE:

By: _____

Title: _____ Date: _____

APPENDIX E

ACKNOWLEDGMENT ADDENDUM TO CARL'S JR RESTAURANT FRANCHISE AGREEMENT

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED RESTAURANT BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a Carl's Jr. Restaurant franchise. Please review each of the following statements carefully and confirm their accuracy or advise us of their inaccuracy.

Acknowledgments and Representations. I, the undersigned Franchisee, hereby acknowledge and represent to Carl's Jr. Restaurants LLC ("CJR"), as follows:

A. I have received a copy of Carl's Jr. Restaurants Franchise Disclosure Document (and all exhibits and attachments) (the "Disclosure Document") at least fourteen calendar days prior to signing the Carl's Jr. Restaurants Franchise Agreement (the "Franchise Agreement"). If I am a resident of Iowa, I acknowledge that I received the Disclosure Document at the earlier of the first personal meeting or at least 10 business days before the execution of any franchise or other agreement or payment of any consideration that relates to the franchise relationship. *If not accurate, please comment*:_____

B. The Franchise Agreement involves significant legal and business rights and risks. CJR does not guarantee my success. I have read the Franchise Agreement in its entirety, conducted an independent investigation of the business contemplated by the Franchise Agreement, have been thoroughly advised with regard to the terms and conditions of the Franchise Agreement by legal counsel or other advisors of my choosing, recognize that the nature of the business conducted by Carl's Jr. Restaurants may change over time, have had ample opportunity to investigate all representations made by or on behalf of CJR, and have had ample opportunity to consult with current and former franchisees of CJR. The prospect for success of the business undertaken by me is speculative and depends to a material extent upon my personal commitment, capability and direct involvement in the day-to-day management of the business. *If not accurate, please comment*:_____

C. CJR makes no express or implied warranties or representations that I will achieve any degree of success in the development or operation of the Franchised Restaurant and that success in the development and operation of the Franchised Restaurant depends ultimately on my efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, my financial condition and competition. *If not accurate, please comment*:_____

D. CJR has entered, and will continue to enter, into agreements with other franchisees. The manner in which CJR enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of CJR to enforce its rights or my obligations under my Franchise Agreement. *If not accurate, please comment*:_____

E. Other than as expressly stated in Item 19 of the Disclosure Document, I have not received from CJR or its affiliates or anyone acting on their behalf, any oral, written or visual claim, statement,

promise or representation to me that stated, suggested, predicted or projected sales, revenues, earnings, income or profit levels at any Carl's Jr. Restaurant location. *If not accurate, please comment*:_____

F. I have not received from CJR or its affiliates or anyone acting on their behalf, any representations other than those contained in the Carl's Jr. Franchise Disclosure Document provided to Franchisee as inducements to enter this Agreement. *If not accurate, please comment*:_____

G. I understand that I am responsible for developing my own business plan for my Carl's Jr. Restaurant business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances, and as part of my planning, I need to take into account the expenses I will incur. Expenses that I may incur include, but are not limited to, royalty and marketing fees, interest on debt service, insurance, legal and accounting charges, and depreciation/ amortization. I have been advised to consult with my professional advisors to assist me to identify the expenses I likely will incur, to prepare my budgets, and to assess the likely or potential financial performance of my Store. In developing the business plan, I understand that I should make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of my store during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences. *If not accurate, please comment*:_____

H. I understand that any training, support, guidance or tools CJR provides to me as part of the franchise are for the purpose of protecting the Carl's Jr. Restaurants brand and trademarks and to assist me in the operation of my business and not for the purpose of controlling or in any way intended to exercise or exert control over my decisions or day-to-day operations of my business, including my sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of my employees and all other employment and employee related matters. *If not accurate, please comment*:_____

I. On the receipt pages of my Disclosure Document I identified _____ _____ _____as the franchise sellers involved in this franchise sales process (these are the company representatives who offered me my franchise). The franchise sellers identified above are the only franchise sellers involved with this transaction. *If not accurate, please identify any additional franchise sellers involved with this transaction*: _____

IF MORE SPACE IS NEEDED TO RESPOND TO ANY REPRESENTATION, CONTINUE ON A SEPARATE SHEET AND ATTACH.

I UNDERSTAND THAT MY ANSWERS ARE IMPORTANT AND THAT CARL'S JR. RESTAURANTS, LLC WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, I REPRESENT THAT I HAVE CONSIDERED EACH REPRESENTATION CAREFULLY AND RESPONDED FULLY AND TRUTHFULLY.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

_____

_____, individually

_____

Date

APPENDIX F

COMMENCEMENT DATE ADDENDUM

COMMENCEMENT DATE ADDENDUM

This Commencement Date Addendum is dated as of _____ and is made between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee").

CJR and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"). Pursuant to the terms of the Franchise Agreement, the parties agreed to sign this Commencement Date Addendum upon the opening of the Carl's Jr. Franchised Restaurant referenced in the Franchise Agreement (the "Franchised Restaurant"). Accordingly, CJR and Franchisee agree that the Franchise Agreement is modified as follows:

1. The Franchised Restaurant opened for business on _____. The Initial Term of the Franchise Agreement expires on _____.

CJR and Franchisee agree that the terms of this Commencement Date Addendum are incorporated into the Franchise Agreement. If any term of this Commencement Date Addendum conflicts with the terms of the Franchise Agreement, the terms of this Commencement Date Addendum will control.

CARL'S JR. RESTAURANTS LLC	**FRANCHISEE**
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

APPENDIX G

LEASE ADDENDUM

CARL'S JR. LEASE ADDENDUM

This Carl's Jr. Lease Addendum (this "Addendum") to that certain _____ dated as of _____, 20____ (the "Lease"), by and between _____ ("Landlord") and _____ ("Tenant") is entered into by Landlord and Tenant and incorporated into the Lease as of the effective date of the Lease, and is intended to provide Carl's Jr. Restaurants LLC or its affiliates (collectively "CJR"), with certain rights necessary to protect the integrity, goodwill, safety, and operational standards of CJR's system.

Notwithstanding anything to the contrary elsewhere in the Lease, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. **General Terms.** Pursuant to the Lease, Landlord shall lease to Tenant certain real property as defined in the Lease (the "Premises") for the operation of a franchised Carl's Jr. Restaurant ("Restaurant"). Tenant shall develop and operate the Restaurant pursuant to a franchise agreement with CJR (the "Franchise Agreement"), and the Lease is contingent upon Tenant's execution of the Franchise Agreement with CJR. The Franchise Agreement requires in part that the Lease contain certain provisions set forth in this Addendum.

2. **Effectiveness of Lease.** The effectiveness of the Lease is contingent upon Tenant's execution of the Franchise Agreement with CJR within 30 days after the date of this Addendum.

3. **CJR Access Rights**.

a. CJR possesses the right, at any time and from time to time, with or without notice to Tenant or Landlord, to enter and inspect the Premises for any purpose related to the operation, condition, safety, maintenance, or compliance of the Restaurant. CJR may inspect all areas of the Premises, all equipment, all inventory, all records, and all operational practices. CJR may conduct such inspections as frequently as it deems appropriate and may do so during or outside of business hours.

b. CJR possesses the right to enter the Premises to make any modifications or alterations necessary to protect the "Carl's Jr. Restaurant System" and the Proprietary Marks and charge Tenant for all costs incurred in making such modifications or alterations, all without being guilty of trespass or other tort.

4. **Tenant's Assignment.**

a. No assignment or sublease by Tenant shall be effective unless approved in writing by CJR, regardless of whether Landlord's consent is required under the Lease.

b. Tenant may assign the Lease, or any right or rights therein (including without limitation purchase options or rights of first refusal), to CJR or its parent, affiliates or subsidiaries or other franchisees without Landlord's consent, or to its designee with Landlord's consent, which consent shall not be unreasonably withheld, in each case without payment of any assignment fee or similar charge or increase in any rentals or other charges payable to Landlord.

5. **Proprietary Marks.**

a. Landlord consents to Tenant's use of the proprietary signs, distinctive exterior and interior designs, colors and layouts, and the trademarks prescribed by CJR (collectively, the "Proprietary Marks"), and upon expiration or the earlier termination of the Lease, Landlord consents to permit Tenant, at Tenant's

expense, to remove all such items and other trade fixtures, so long as Tenant repairs any damage to the Premises caused by such removal.

b. Following the expiration or earlier termination of the Lease or the Franchise Agreement, Tenant shall have the right to make those alterations and modifications (including removal and demolition of improvements installed by Tenant or CJR if necessary) to the Premises or any part thereof as may be necessary to clearly distinguish to the public the Premises from a Carl's Jr. Restaurant and also to make those specific additional changes as CJR reasonably may require for such purpose. This includes, but is not limited to, removal of all Proprietary Marks. If Tenant fails to promptly make the necessary alterations and modifications, CJR shall have the right to do so without being guilty of trespass or other tort so long as CJR makes repairs to the building caused by such removal.

6. **CJR Step-In Rights.**

a. **Short Term Step-In Rights.**

i. CJR possesses the right, at any time and from time to time, with or without notice to Tenant or Landlord, to enter the Premises and assume temporary control of all or any portion of the Premises' operations if CJR determines, in its sole and absolute discretion, that Tenant is failing to operate in accordance with CJR's system standards, that any condition or practice at the Premises poses or may pose a risk to health or safety, that Tenant's operations threaten or may threaten CJR's goodwill or the Proprietary Marks, or that Tenant has ceased, interrupted, reduced, or abandoned operations. During any step-in period, the Lease shall otherwise remain in effect, and CJR may operate the Restaurant directly or through its designees, may use Tenant's equipment, inventory, and supplies, and may take any actions CJR deems necessary or appropriate to protect its system, brand, or proprietary marks. CJR shall have no liability to Tenant or Landlord for any losses, costs, or damages arising from such step in operations.

ii. If CJR determines, in its sole and absolute discretion, that any condition, practice, operation, equipment, product, or activity at or relating to the Premises poses or may pose a risk to health or safety; violates or may violate CJR's system standards; threatens or may threaten CJR's goodwill or the Proprietary Marks; exposes or may expose CJR to legal, operational, or financial risk; or otherwise affects or may affect the proper operation of the Premises, then CJR may, but shall not be obligated to, enter the Premises immediately and without notice to take any actions it deems necessary or appropriate. Such actions may include correcting, repairing, replacing, removing, modifying, or altering any equipment, inventory, products, signage, trade dress, branded materials, operational practices, or any other element of the Premises.

iii. CJR may, but shall not be obligated to, cure any default by Tenant under the Lease. CJR may cure any such default without notice to Tenant and without Landlord's consent. Any cure undertaken by CJR shall be deemed a cure by Tenant for all purposes under the Lease. Landlord shall not terminate the Lease or exercise any remedies against Tenant unless CJR has first been given a reasonable opportunity to cure, which opportunity shall be in addition to any cure period afforded to Tenant.

b. **Long Term Step-In Rights.**

i. Upon any default by Tenant under the Lease or upon any cessation, interruption, or abandonment of operations, CJR possesses the right to assume the Lease in place of Tenant, to designate an affiliate or approved franchisee to assume the Lease, or to require Landlord to enter

into a new lease with CJR or its designee on the same terms and conditions as the Lease. No Landlord consent shall be required for any such assumption or new lease.

ii. Upon the expiration or earlier termination of the Franchise Agreement, CJR shall have the option, in accordance with its rights under the Franchise Agreement, to assume Tenant's rights and obligations under the Lease. CJR may exercise its step-in rights by giving written notice to the Landlord at any time following such expiration or earlier termination of the Franchise Agreement until 30 days after the later of (A) the date of such expiration or earlier termination or (B) the date Tenant ceases to operate the Restaurant.

iii. If Tenant fails to exercise, for any reason, (i) any term renewal or term extension right under the Lease or (ii) any purchase option or right of first refusal or similar right under the Lease, then CJR may exercise such right. Upon the exercise of such right by CJR, the Lease shall be deemed transferred and assigned to CJR, effective upon the commencement of the renewal or extension term, without any further action of the parties, and Landlord shall be deemed to consent to such transfer and assignment. Following CJR's exercise of such right, Tenant shall remain obligated under the Lease as an assignor of the same. CJR's exercise of the foregoing rights is subject to Tenant's right to exercise such rights, and if Tenant exercises such right pursuant to the terms of the Lease, CJR's exercise of such rights, whether before or after Tenant's exercise, shall be null and void. Following Tenant's failure to exercise the rights described above, whether by the elapsing of any applicable deadline to provide notice or by Tenant's provision of notice of its determination to waive such right, CJR shall be provided fourteen (14) days to exercise such rights following Landlord's delivery of written notice of Tenant's failure to CJR.

c. Tenant, and not CJR, shall be solely responsible for all obligations, debts and payments under the Lease and that CJR shall have no liability therefore. The foregoing shall also apply in the event that CJR assumes the Lease pursuant to the terms of this Addendum with respect to any obligations, debts or payments under the Lease arising prior to the date of CJR's assumption unless CJR expressly agrees otherwise in writing.

d. Landlord consents to Tenant's collateral assignment of the Lease to CJR or its designee, granting CJR the option, but not the obligation, to assume the Lease and/or any or all rights therein.

7. **Notices; Amendments.**

a. Landlord and Tenant shall provide CJR (at the same time as sent to the other party) a copy of all amendments, assignments, any notices of default, option and refusal right notices and any other material documents or correspondence or notices pertaining to the Lease and the Premises, including without limitation, tenant estoppel certificates and subordination agreements. CJR's mailing address, until further notice, for this purpose is Attention: Franchise Legal Team, 6700 Tower Circle, Suite 1000, Franklin, TN 37067.

b. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not permit the amendment of, or otherwise modify, the Lease in any manner that would affect any of the requirements set forth herein without CJR's prior written consent.

8. **Miscellaneous.** This Addendum shall apply during the entire term of the Lease, including any renewal term. To the extent there is any conflict between the terms set forth in the body of the Lease and the terms set forth in this Addendum, the terms of this Addendum will control. CJR is a third-party beneficiary of this Addendum solely for the purpose of enforcing any rights granted to or otherwise available to CJR under this Addendum. CJR possesses the independent right to enforce Tenant's

obligations under the Lease directly against Tenant. CJR may demand performance, require compliance, or take any actions necessary to enforce the Lease or this Addendum.

In witness whereof, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

LANDLORD:	**TENANT:**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

APPENDIX H

ACH AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

Company Name _____ Company ID Number_____

I (we) authorize CKE Restaurants, Inc. and its subsidiaries, hereinafter called COMPANY, to initiate variable credit entries to my (our) Checking Account/Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name_____ Branch_____

City_____ State_____ Zip_____

Routing Number_____ Account Number_____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)_____ ID Number_____
(Please Print)

Date _____ Signature _____

NOTE: WRITTEN CREDIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH DEBITS)

Company Name _____ Company ID Number_____

I (we) authorize CKE Restaurants, Inc. and its subsidiaries, hereinafter called COMPANY, to initiate variable debit entries to my (our) Checking Account/Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name_____ Branch_____

City_____ State_____ Zip_____

Routing Number_____ Account Number_____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)_____ ID Number_____
(Please Print)

Date _____ Signature _____

NOTE: DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

BE SURE TO ATTACH A VOIDED CHECK

APPENDIX I

STAR UNIVERSITY LICENSE AGREEMENT

STAR UNIVERSITY LICENSE AGREEMENT

THIS **STAR UNIVERSITY LICENSE AGREEMENT** ("'Agreement") is made as of DATE ("Effective Date") by and between **CKE RESTAURANTS HOLDINGS, INC.,** a Delaware corporation ("Licensor"), and FRANCHISEE (collectively, "Licensee").

RECITALS

A. Pursuant to certain franchise or license agreements between Licensee and Licensor's subsidiary identified in Exhibit A ("Franchisor"), Licensee is the operator of the franchised restaurants located at the addresses listed in Exhibit A (collectively, the "Franchised Restaurants"). Licensee may add new Franchised Restaurants to this Agreement, with Licensor's prior written consent, by amending Exhibit A.

B. Licensor is a party to a certain educational, training and testing services Contract made and entered into with Cornerstone On Demand ("Vendor") as of May 12, 2021, pursuant to which Vendor provides certain educational, training and testing services to facilitate the acquisition and evaluation of workplace skills, including without limitation, online courses and interactive multimedia training and creating and administering learning content. (collectively, the "Licensed Program"), for use by Licensor and its subsidiaries and their franchisees.

C. Licensor and/or its subsidiaries own or have the right to use and license to others certain proprietary content that from time to time is contained on the Licensed Program (collectively, the "Content").

D. Licensor has the right to license to Licensee the Licensed Program and Content pursuant to the terms and conditions set forth in this Agreement.

E. Licensee desires to obtain a license, and Licensor desires to grant a license to Licensee, for access to and use of the Licensed Program and Content at the Franchised Restaurants upon the terms and conditions contained in this Agreement.

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

ARTICLE 1

LICENSE

1.1 License. Licensor grants Licensee a non-exclusive, non-transferable license to use the online Web sites and Web-based applications set forth on Exhibit A to access the Licensed Program and Content offered under the terms of this Agreement solely for Licensee's internal operations at each Franchised Restaurant at which Licensee remains Franchisor's franchisee in good standing ("License"). Licensor has the right to add, modify and/or remove features and elements of the Licensed Program and Content from time to time, without notice to, or the consent of, Licensee. Any data and reports generated by Licensee's use of the Licensed Program and Content are owned solely by Licensor.

1.2 Use of Licensed Program and Content. Licensee shall use the Licensed Program and Content solely for the purposes Licensor expressly permits from time to time in writing and in strict compliance with the standards issued in writing from time to time by Licensor. When accessing the Licensed Program and Content, Licensee shall follow any instructions issued in writing by Licensor.

1.3 Ownership; Proprietary Rights. Licensee acknowledges and agrees that (a) Vendor owns or is the licensee of the Licensed Program and Licensor owns the Content; and (b) the copyright,

patent, trademark, trade secret, and all other intellectual property rights of whatever nature in the Licensed Program and Content are and shall remain the property of Licensor, Vendor or other third parties, as applicable, and nothing in this Agreement should be construed as transferring any aspects of such rights to Licensee or any third party. Licensee shall not alter or delete the intellectual property notices or any other proprietary legends or marks as may be specified on the Licensed Program and Content.

ARTICLE 2
SUPPORT SERVICES

Licensor agrees to provide the following support services (collectively, "Support Services") with respect to the Licensed Program and Content: (1) help desk services, which shall be available throughout the duration of this Agreement at the designated dates and times set by Licensor and which shall be accessible by email directed to StarU@CKR.com or to such other email address that may be designated by Licensor from time to time or by other means designated by Licensor from time to time; and (2) initial training services, which shall be available during the first 30 days following execution of this Agreement by both parties and which shall consist of up to 4 hours of remote instruction (at Licensor' s option, via telephone, Internet or other means) on creating user accounts, reporting processes and general user navigation.

ARTICLE 3
FEES

3.1 License Fee. On the first day of each fiscal period (as defined from time to time by Licensor), Licensee shall pay to Licensor, without any right of set-off or deduction, a license fee ("License Fee") of $18.20 for each Franchised Restaurant to access and use the Licensed Program, Content and Support Services. Licensor shall have the right, upon 30 days' prior written notice to Licensee, to increase the License Fee. Licensor may, but is not required to, send Licensee an invoice for the License Fee. All License Fees shall be payable in advance.

3.2 Taxes. Licensee shall be responsible for any applicable sales or use taxes or any value added or similar taxes payable with respect to the licensing of the Licensed Program and Content, or arising out of or in connection with this Agreement, other than taxes levied or imposed based upon Licensor's income. In the event that Licensor pays any such taxes on behalf of Licensee, Licensor shall invoice Licensee for such taxes and Licensee agrees to pay such taxes within 30 days from the date of invoice.

3.3 Interest. If any payments by Licensee due to Licensor are not received by Licensor by the due date, Licensee, in addition to paying the amount owed, shall pay Licensor interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurants are located or 18% per annum calculated on a daily basis, whichever is less.

ARTICLE 4
CONFIDENTIALITY

4.1 Confidential Information. Without limiting the obligations under Franchise Agreements, Licensee agrees to treat the Licensed Program and Content (along with any passwords or account information, downloaded information, reports or other information generated by the Licensed Program or Content) as confidential, proprietary and trade secret information ("Confidential Information"). Licensee agrees that it shall not, without Licensor's prior written consent: (a) modify any Confidential Information; (b) transfer, rent lease, lend or sublicense any Confidential Information to anyone for any purpose; or (c) reveal or disclose any Confidential Information for any purpose to any other person, firm, corporation or

other entity, other than Licensee's employees with a need to know such Confidential Information to perform employment responsibilities consistent with Licensee's rights under this Agreement. Licensee shall safeguard and protect the Confidential Information from theft, piracy or unauthorized access in a manner at least consistent with the protections Licensee uses to protect its own most confidential information. Licensee shall inform any person who is granted access under Licensee of their obligations under this Agreement and shall take such steps as may be reasonable in the circumstances, or as may be reasonably requested by Licensor, to prevent any unauthorized disclosure, copying or use of the Confidential Information.

4.2 Distribution. Except as explicitly provided in this Agreement, Licensee shall not: (a) make available or distribute all or part of the Licensed Program or Content to any third party by assignment, sublicense or by any other means; (b) copy, adapt, reverse engineer, decompile, disassemble, or modify, in whole or in part, any of the Licensed Program or Content; or (c) use the Licensed Program or Content to operate in or as a time- sharing, outsourcing, or service bureau environment, or in any way allow third party access to the Licensed Program or Content.

4.3 Exclusions. Confidential Information does not include information that: (a) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement by Licensee or anyone to whom Licensee transmits the information; (b) becomes available to Licensee on a non-confidential basis from a source other than Licensor who is not known by Licensee to be bound by a confidentiality agreement with Licensor or other legal or fiduciary obligation of secrecy; (c) Licensee can document was known to it or in its possession on a non-confidential basis prior to the date of disclosure by the discloser; (d) is independently developed by the recipient without use of, or reference to, Confidential Information, as demonstrated by tangible evidence; or (e) is furnished by the discloser to others with written confirmation that such information is not confidential and may be disclosed.

4.4 Unauthorized Disclosure. Licensee shall notify Licensor immediately upon discovery of any prohibited use or disclosure of the Confidential Information, or any other breach of these confidentiality obligations by Licensee, and shall fully cooperate with Licensor to help Licensor regain possession of the Confidential Information and prevent the further prohibited use or disclosure of the Confidential Information.

ARTICLE 5
NO WARRANTIES

LICENSOR EXPRESSLY DISCLAIMS, AND LICENSEE HEREBY EXPRESSLY WAIVES, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF PERFORMANCE, FINANCIAL PERFORMANCE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. LICENSOR DOES NOT WARRANT THAT THE LICENSED PROGRAM OR CONTENT WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSED PROGRAM OR CONTENT WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ERRORS IN THE LICENSED PROGRAM OR CONTENT WILL BE CORRECTED. THE ENTIRE RISK OF THE QUALITY AND PERFORMANCE OF THE LICENSED PROGRAM AND CONTENT IS WITH LICENSEE. LICENSEE ACKNOWLEDGES AND AGREES THAT IT IS ACCEPTING THE LICENSED PROGRAM AND CONTENT IN ITS "AS IS" CONDITION. LICENSEE ACKNOWLEDGES THAT THE LICENSED PROGRAM OR CONTENT MAY BE SHUT DOWN OR UNAVAILABLE PERIODICALLY FOR MAINTENANCE, UPGRADES, CHANGES, ETC. LICENSOR MAKES NO REPRESENTATIONS REGARDING THE VENDOR.

ARTICLE 6
INDEMNIFICATION

In addition to and not in substitution for any indemnity provided in the Franchise Agreements, Licensee hereby expressly agrees to indemnify and hold harmless Licensor, its affiliates and their respective employees, officers, directors, principals, successors, assigns, or agents, past or present from and against any claims, losses, costs, expenses (including, without limitation, reasonable legal fees), liabilities and damages arising out of or related to this Agreement and/or Licensee's use of the Licensed Program and Content including but not limited to: (i) any breach of any representation or warranty made by Licensee in this Agreement; (ii) any non-fulfillment or breach by Licensee of any of its agreements, covenants or obligations in this Agreement; or (iii) any reckless, malicious, or other tortious conduct by Licensee in connection with the obligations under this Agreement.

ARTICLE 7
LIMITATION OF LIABILITY

LICENSOR SHALL HAVE NO LIABILITY FOR DIRECT, INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. LICENSOR WILL NOT BE RESPONSIBLE FOR ANY LOSS OF SALES OR LOST PROFITS BY LICENSEE DURING THE PERIOD IN WHICH THE LICENSED PROGRAM OR CONTENT IS INACCESSIBLE OR INOPERATIVE. NOR WILL LICENSOR BE RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY THE LICENSED PROGRAM OR CONTENT. IN ANY EVENT, THE LIABILITY OF LICENSOR TO LICENSEE FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO THE AMOUNT PAID TO LICENSOR BY LICENSEE UNDER THIS AGREEMENT DURING THE TRAILING 12 MONTH PERIOD. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, AND OTHER TORTS. BOTH PARTIES UNDERSTAND AND AGREE THAT THE REMEDIES AND LIMITATIONS SET FORTH IN THIS ARTICLE 7 ALLOCATE THE RISKS OF PRODUCT AND SERVICE NONCONFORMITY BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OF OTHER APPLICABLE LAWS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

ARTICLE 8
TERM AND TERMINATION

8.1 **Term**. Unless this Agreement is terminated by its terms, the term of this Agreement commences on the Effective Date and remains in force until the earlier of: (a) for each Franchised Restaurant, the termination or expiration of the respective Franchise Agreement; or (b) Licensor's determination, in its sole discretion, to require Licensee to license from Licensor or a third-party provider the same or different licensed program and/or content under then-applicable terms. If Licensor loses the right to provide Licensee access to the Licensed Program, then this Agreement shall be amended or terminated as necessary. In addition, Licensee shall have the right to terminate this Agreement for any reason and at any time by providing Licensor with 60 days written notice of its intent to cease using the Licensed Program and Content.

8.2 **Cessation of Use**. Upon termination of this Agreement, Licensor will disconnect Licensee from the Licensed Program and Content and deactivate passwords, as applicable. Licensee shall cease

using the Licensed Program and Content and promptly return to Licensor all copies of all such materials and all other Confidential Information in its possession or control. Licensee shall delete all copies of such materials residing in on-line or off-line computer memory, and destroy all copies of such materials that also incorporate Confidential Information. Licensor shall be entitled to enter the Franchised Restaurants to repossess and remove the Licensed Program and Content, and any other Confidential Information. Licensee shall, within 5 days from the effective date of the termination, certify to Licensor, in writing by an officer or director, that all copies of the Licensed Program and Content have been returned, deleted or destroyed. In the event of termination of the License granted by this Agreement for fewer than all Franchised Restaurants, Licensee shall comply with the foregoing with respect to the applicable Franchised Restaurants. Notwithstanding forgoing, upon request Licensee shall have the right to receive from Licensor such readily accessible reports or information containing data of Licensee's completed training modules (or other available data) with the understanding that Licensor shall not have the right to incur any additional expenses to provide such data to Licensee.

8.3 Injunctive Relief. Licensee acknowledges and agrees that its failure to comply with the terms of this Agreement, including the failure to fully comply with the post-termination obligations set forth in Section 8.2, is likely to cause irreparable harm to Licensor and/or Vendor not fully compensable by money damages and therefore Licensor shall not have an adequate remedy at law. Therefore, Licensee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Licensee, Licensor and Vendor shall be entitled to a preliminary and final injunction restraining the breach and/or to specific performance, without the necessity of posting any bond or undertaking in connection therewith. Any equitable remedies sought by Licensor shall be in addition to, and not in lieu of, all remedies and rights that Licensor otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

ARTICLE 9
GENERAL

9.1 Prior Agreements Related to Learn Center. The parties agree that any prior agreements between them for the Learn Center are terminated as of the effective date of this Agreement.

9.2 Miscellaneous. The headings used in this Agreement are for convenience only and are not intended to be used as an aid to interpretation. If any part of this Agreement is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected. Failure by either party to exercise any right or remedy under this Agreement does not signify acceptance of the event giving rise to such right or remedy. This Agreement contains the entire agreement between the parties concerning the grant of the License to Licensee to use the Licensed Program and Content and supersedes and merges all prior proposals, understandings and all other agreements, oral and written between the parties relating to this Agreement. No amendment to this Agreement is effective unless it is in writing and signed by duly authorized representatives of both parties. Each party to this Agreement agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules and regulations now or hereafter in effect (including, without limitation, any applicable privacy or data protection laws).

9.3 Assignment. This Agreement will be binding upon and inure to the benefit of the parties to this Agreement, their respective successors and permitted assigns. Licensee may not assign its rights or obligations under this Agreement without the prior written consent of Licensor. Licensor may transfer, assign or delegate this Agreement or any part of its rights or obligations under this Agreement to any person, affiliate or legal entity.

9.4 Governing Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between

the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles.

9.5 Force Majeure. Licensor shall not be liable for any loss or damage due to: (a) delays caused by any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party; (b) food spoilage or loss of business; or (c) any other cause not within its control.

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

9.7 Jurisdiction. The parties agree that, to the extent any disputes cannot be resolved directly between them, Licensee shall file any suit against Licensor only in the federal or state court having jurisdiction where Licensor's principal offices are located at the time suit is filed. Licensor shall file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is tiled, in the jurisdiction where Licensee resides or does business, where any Franchised Restaurant is or was located, or where the claim arose. Licensee consents to the personal jurisdiction of those courts over Licensee and venue in those courts.

9.8 Costs and Expenses. Licensee agrees to pay to Licensor on demand any and all costs and expenses incurred by Licensor in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Licensee to Licensor. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, court costs, expert witness fees and discovery costs, together with interest charges on all of the foregoing.

9.9 Notice. No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to the party at the address stated in Exhibit A. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first refusal of delivery) and may be: (a) delivered personally; (b) transmitted by facsimile to the number(s) set forth in Exhibit A with electronic confirmation of receipt; (c) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (d) mailed via overnight courier.

9.10 Survival. Any section of this Agreement that is intended to survive termination or expiration shall so survive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the date written below.

LICENSOR:
CKE RESTAURANTS HOLDINGS, INC.

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

LICENSEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

1. **Franchisor**:

2. **Franchisee**:

3. **Franchised Restaurants**:

1. Franchisee (Customer #)	**Unit Number PS# / Legacy #**	**4. 5. Location**

4. **Web sites/applications**: https://cke.discoverlink.com

5. **Licensee's Notice Address**:

Facsimile:
E-mail:

6. **Licensor's Notice Address**:

CKE Restaurants, Inc.
Attn: Star University
6700 Tower Circle, Suite 1000
Franklin, TN 37067

E-mail: staracademy@ckr.com

EXHIBIT E

PRELIMINARY AGREEMENT

PRELIMINARY AGREEMENT

THIS AGREEMENT is made as of _____, by and between Carl's Jr. Restaurants LLC ("CJR"), a Delaware limited liability company, and _____ and _____ ("Applicant").

RECITALS:

A. Applicant wishes to be considered by CJR for a franchise opportunity to develop and operate one or more Carl's Jr. ("Franchised Restaurants").

B. Before CJR will consider offering Applicant a franchise opportunity, Applicant must attend a meeting at CJR's offices and at a Carl's Jr. during which Applicant will have the opportunity to meet with, and be evaluated by, various CJR personnel ("Discovery Day"). In addition, CJR may require that Applicant, and/or an employee or employees or other individual or individuals designated by Applicant, and as agreed to and deemed appropriate by CJR ("Other Individuals"), each satisfactorily complete other training programs (collectively "Training Programs"), depending on CJR's determination of the need of those attending the Training Programs.

C. CJR will provide Applicant and Other Individuals a variety of information both while Applicant and Other Individuals attend Discovery Day and the Training Programs and thereafter, if CJR and Applicant continue to pursue a franchise opportunity.

D. The information that will be provided by CJR is confidential and CJR is not willing to disclose the information to Applicant or Other Individuals unless they agree to keep the information confidential. Accordingly, the parties are entering into this Agreement to ensure that Applicant and Other Individuals keep all such information confidential.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

1. Confidential Information. As used in this Agreement, the term "Confidential Information" means any and all information, manuals and materials containing trade secrets; non-public business methods; improvements; data processes; formulae; designs; know-how; pricing information and models; maps and trade area analyses; and all confidential technical and non-technical information that is disclosed by or on behalf of CJR or its affiliates to Applicant and/or Other Individuals. "Confidential Information" also includes all other information that Applicant and/or Other Individuals know or have reason to know is the confidential, trade secret, or proprietary information of CJR and/or its affiliates.

2. Non-Use and Non-Disclosure of Confidential Information.

A. Applicant and Other Individuals may use the Confidential Information solely for the purposes of evaluating whether or not to pursue a franchise opportunity with CJR and for participating in the Training Programs. Except as expressly authorized by CJR in writing, Applicant and Other Individuals agree to maintain all Confidential Information in strict confidence and not to use, or permit others to use, Confidential Information for any other purpose. Applicant will not disclose any Confidential Information to anyone other than Applicant's employees and/or third parties authorized by CJR to receive Confidential

Information, each of whom: **(1)** has a reasonable need to know the Confidential Information in connection with the evaluation of the franchise opportunity; **(2)** has been advised of the confidential nature of the Confidential Information; and **(3)** if requested by CJR, has signed an agreement, in a form satisfactory to CJR, obligating the employee or third party to comply with all the provisions of this Agreement. The obligations of non-use and non-disclosure with respect to particular items of Confidential Information will remain in effect indefinitely.

B. Applicant and Other Individuals may not make any copies of any Confidential Information, except as may be necessary for uses permitted under this Agreement. Applicant and Other Individuals agree that any copies made will bear a clear stamp or legend indicating their confidential nature. Applicant and Other Individuals agree not to remove, overprint, or deface any notice of copyrights, trademark, logo, or other notices of ownership from any originals or copies of the Confidential Information.

C. Although Applicant and Other Individuals understand that CJR has endeavored to include in the Confidential Information that information which CJR believes is relevant for Applicant's and Other Individuals' purposes, Applicant and Other Individuals further understand and agree that CJR does not make any representation or warranty as to the accuracy or completeness of the Confidential Information. Applicant and Other Individuals agree that neither CJR nor its representatives will have any liability to Applicant, its representatives or the Other Individuals resulting from the use of and reliance on the Confidential Information.

D. The Confidential Information, and all copies thereof, remain the property of CJR. Neither Applicant nor Other Individuals will acquire any rights in or to the Confidential Information pursuant to this Agreement.

E. Applicant and Other Individuals will immediately notify CJR of any information that comes to their attention which indicates that there has been or may be a loss of confidentiality of any of the Confidential Information or a breach of this Agreement.

3. Termination.

A. CJR may at any time and without cause: **(1)** terminate Applicant's and/or Other Individuals' participation in the Training Programs; and **(2)** elect not to offer a franchise opportunity to Applicant.

B. Applicant may at any time and without cause: **(1)** terminate Applicant's and/or Other Individuals' participation in the Training Programs; and **(2)** elect not to pursue a franchise opportunity with CJR.

4. Obligations Upon Termination. Upon termination of this Agreement, Applicant and Other Individuals will: **(A)** immediately cease to use the Confidential Information; **(B)** return to CJR the Confidential Information and all copies thereof (whether or not the copies were authorized) within 10 days after termination and cause any third party to whom disclosure was made do the same; and **(C)** at the request of CJR, certify in writing that Applicant and Other Individuals have complied with this Section.

5. No Agency. Applicant and Other Individuals are not employees or agents of CJR or its affiliates and are not entitled to, and will not receive, any compensation, including without limitation, salary, wages or employee benefits for participation in Discovery Day and/or the Training Programs. Applicant and Other Individuals will not receive any reimbursement for costs and expenses incurred by Applicant or Other Individuals as a result of Applicant's or Other Individuals' participation in Discovery Day and/or the Training Programs. Applicant and Other Individuals waive any and all rights to damages, the

reimbursement of expenses or costs, as well as the payment of any compensation related directly or indirectly to Applicant's or Other Individuals' participation in the Discovery Day and/or the Training Programs.

6. No Transfer. This Agreement is personal to Applicant and Other Individuals and it may not be transferred by assignment, will or operation of law.

7. Miscellaneous.

A. Applicant and Other Individuals agree that they will not discuss salaries with CJR personnel.

B. Applicant acknowledges receipt of CJR's Franchise Disclosure Document at least 14 calendar days prior to execution of this Agreement. Applicant further acknowledges that CJR advised Applicant to carefully read the Franchise Disclosure Document and this Agreement.

C. Applicant and Other Individuals understand and agree that no failure or delay by CJR in exercising any right, power, or privilege under this Agreement will operate as a waiver, nor will any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege under this Agreement.

D. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which CJR is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect. If any material provision of this Agreement should be ruled invalid, CJR reserves the right to terminate this Agreement.

8. Injunctive Relief. Applicant and Other Individuals acknowledge and agree that: **(A)** disclosure of the Confidential Information by Applicant, its employees, third parties to whom Applicant has disclosed the Confidential Information or Other Individuals would result in irreparable harm to CJR, the extent of which would be difficult to ascertain; **(B)** monetary damages would be an inadequate remedy for such a breach; and **(C)** CJR will be entitled to specific performance and injunctive or other equitable relief as a court may deem appropriate in the event of such a breach without posting a bond or other security.

9. Indemnification and Attorneys' Fees. Applicant and Other Individuals agree to indemnify, defend and hold harmless CJR and its parents, subsidiaries, affiliates, predecessors, successors and assigns and their past and present directors, officers, employees, agents and representatives from any and all claims, demands and damages (including attorneys' fees) incurred in connection with or resulting from any breach of any obligation under this Agreement by Applicant, Other Individuals or representatives of Applicant. Applicant and Other Individuals agree that, if CJR institutes any proceedings to enforce the obligations of Applicant or Other Individuals under this Agreement, CJR will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with any such proceeding.

10. Entire Agreement. This Agreement constitutes the entire, full and complete agreement between the parties concerning the subject matter covered herein and supersedes any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement. No obligations or duties that contradict or are inconsistent with the express terms of this

Agreement may be implied into this Agreement. No amendment, change or variance from this Agreement will be binding on any party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in CJR's Franchise Disclosure Document.

11. Governing Law and Jurisdiction.

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

B. The parties agree that, to the extent any disputes cannot be resolved directly between them, Applicant and Other Individuals may file any suit against CJR only in the federal or state court having jurisdiction where CJR's principal offices are located at the time suit is filed. CJR may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Applicant or Other Individuals reside or do business. Applicant and Other Individuals consent to the personal jurisdiction of those courts over Applicant and Other Individuals and to venue in those courts.

C. Unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered. **Applicant, Other Individuals and CJR waive, to the fullest extent permitted by law, the right to trial by jury.**

12. Franchise Offer. CJR is not obligated to offer Applicant a franchise and Applicant is not obligated to accept any franchise offer. No franchise offer by CJR will come into existence except by a written document executed by an officer of CJR which is specifically identified as a Letter of Intent, a License Agreement, a Purchase Agreement, a Development Agreement, or a Franchise Agreement. This Agreement is not an offer of a franchise or a commitment or promise by CJR to offer Applicant a franchise, and CJR's decision to make any franchise offer rests in CJR's sole discretion.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

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

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: _____

Title: _____

APPLICANT:

By: _____

Print Name: _____

Title: _____

The persons signing below, who are the "Other Individuals" identified in the foregoing Preliminary Agreement, agree to be bound by the provisions of the Agreement.

OTHER INDIVIDUALS:

_____

_____

EXHIBIT F

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

In consideration of the willingness of Carl's Jr. Restaurants LLC ("CJR") to permit me to review the confidential Operation Procedures Manual ("OPM") before entering into a Development Agreement or a Franchise Agreement, I agree, individually and as an officer or partner of any corporation or partnership that may enter into an agreement with CJR, as follows:

1. As used in this Agreement, the term "Confidential Information" means all information contained in the OPM and all other information relating to the Carl's Jr. System disclosed to me except: information which is now or hereafter becomes generally known (other than by unauthorized disclosure, whether deliberate or inadvertent, by myself or by any other person, firm or corporation with which I am affiliated); information that was in my possession at the time of receipt of the OPM; and information that comes into my possession after the date of this Agreement from a source not under an obligation of secrecy to CJR.

2. I agree not to make any use of the Confidential Information, not to make any copies of the Confidential Information and not to reveal any of the Confidential Information to any person who has not signed a Confidentiality Agreement with CJR. In the event I want to disclose the Confidential Information to my partners, employees, advisors or other representatives, I will ensure that such partner, employee, advisor or other representative: **(A)** has a reasonable need to know the Confidential Information in connection with the evaluation of the franchise opportunity; and **(B)** has been advised of the confidential nature of the Confidential Information and has agreed to maintain the confidential nature.

3. If I do not enter into a Development or Franchise Agreement with CJR, or at any time upon request of CJR, I will: **(A)** return all copies of the OPM to CJR (and/or certify that I have destroyed or deleted all electronic copies of the OPM); **(B)** immediately cease to use the Confidential Information; and **(C)** certify in writing that all of my partners, employees, advisors or other representatives to whom I have disclosed the Confidential Information have complied with this Section.

4. This Agreement will be governed and construed in accordance with the laws of the state in which I reside.

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Date: _____	Date: _____
Address:_____	Address: _____
_____	_____

EXHIBIT G-1

SOFTWARE SUPPORT AGREEMENT FOR PAR BRINK/GENIUS AND CRUNCHTIME

SOFTWARE SUPPORT AGREEMENT
(for PAR Brink/Genius and CrunchTime)

THIS AGREEMENT is made as of this _____ day of _____, 2026 by and between **CKE RESTAURANTS HOLDINGS, INC.**, a Delaware corporation ("CKR"), and _____, a _____ ("Franchisee").

RECITALS

A. Pursuant to certain franchise or license agreements ("Franchise Agreement(s)") between Franchisee and CKR's subsidiary, Carl's Jr. Restaurants LLC ("Franchisor"), Franchisee is the operator of the franchised Carl's Jr. restaurants located at the addresses listed in attached Exhibit A ("Franchised Restaurants"). Franchisee may add new Franchised Restaurants to this Agreement, with CKR's consent, by amending Exhibit A.

B. CKR's third party software vendors, Partech, Inc. ("PAR Brink") and Genius, have developed a point of sale ("POS") system used in connection with the operation of a Carl's Jr. restaurant. CKR's third party software vendor CrunchTime, Inc. ("CrunchTime") has developed a back office system used in connection with the operation of a Carl's Jr. restaurant (collectively the software as be referred to as "Licensed Products").

C. Franchisee has entered into Software License Agreements with either Genius or PAR Brink and CrunchTime to use the Licensed Products upon the terms and conditions contained therein.

D. Franchisee has requested to use, and CKR has agreed to provide certain, in-house technical support for the Licensed Products, on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "Confidential Information" means the Licensed Products and licensed materials which are confidential and proprietary trade secrets of CKR, PAR Brink, Genius, or CrunchTime.

1.2 "Covered Equipment" means Franchisee's approved point-of-sale system, back office computer and printer, as identified on attached Exhibit B, and any additional equipment identified on Exhibit B that has been approved by CKR for use with the Licensed Products and for use at the Franchised Restaurants. Any equipment currently used in the Franchised Restaurants that does not meet the Franchisor's current specifications and product description listed on Exhibit B will not be considered as Covered Equipment. As Covered Equipment reaches its end of life as set forth on Exhibit B, Franchisee will need to replace the equipment with the then current Franchisor approved equipment.

1.3 "Fiscal Period" or "Period" means a four-week accounting period as defined by CKR.

1.4 "Licensed Products" means collectively the software systems designed by PAR Brink, Genius, and CrunchTime for use as part of each Franchised Restaurant as further described in attached Exhibit B.

1.5 **"Support Services"** means telephonic help desk Level 1 and 2 maintenance services provided by CKR for the Licensed Products and Covered Equipment as described on Exhibit A.

1.6 "**Software Support Fees**" means that fees payable by Franchisee to CKR for the Support Services.

ARTICLE 2

SUPPORT SERVICES

2.1 **Support Services.** CKR will provide the Support Services to Franchisee subject to the terms and conditions of this Agreement. CKR, in its sole discretion, may subcontract with third party vendor(s) to provide the Support Services directly to Franchisee. Franchisee may request Support Services by calling CKR's Help Desk at the access number set forth in Exhibit A, as modified from time to time

2.2 **Covered Equipment.** In order to facilitate the Support Services, Franchisee agrees to operate the Covered Equipment in accordance with the CKR's and the manufacturer's instructions. Franchisee shall enter into an agreement with Genius, Par Tech, Inc. ("Par Tech") or Retail Technology Group, Inc. ("RTG") to provide onsite and telephonic maintenance services to the Covered Equipment. Genius, Par Tech or RTG will bill Franchisee directly for such services. The agreements with Genius, Par Tech and RTG do not include the cost of any parts and/or labor needed to keep the Covered Equipment functional. Franchisee may add additional equipment to the designated environment, with CKR's consent, by identifying that equipment in Exhibit A.

2.3 **Required Equipment.** Franchisee must install the following Next Generation Connectivity equipment and services in order to receive Support Services from CKR: 1) Cisco Meraki Firewall/Router with Advanced Security License; 2) Cisco Meraki Wireless Access Points, Cisco Meraki 48 port switch; 3) highly reliable internet with auto failover LTE backup; 4) Wi-Fi for guests (if Internet speeds are fast enough to support it) and back of house operations. Franchisee must contract with a CKR approved managed service provider to monitor and maintain their network equipment (currently this is limited to AT&T and One Source Communications). Franchisee agrees to procure and install such required dedicated data lines, including telephone and/or high-speed Internet connections, modems and other computer-related accessory or peripheral equipment as specified by CKR and/or Franchisor. Franchisee's dedicated data lines for each Franchised Restaurant are identified in Exhibit A.

2.4 **Access to Data.** Franchisee agrees that CKR and/or its designee shall have the free and unfettered right to retrieve any data, customer information and other information from Franchisee's computers as CKR and/or Franchisor, in their sole discretion, deem appropriate, including electronically polling the daily sales, computer information and other data of the Franchised Restaurants, with the cost of the retrieval to be borne by CKR and/or Franchisor. Franchisee shall backup all data on its computer system daily and comply with any and all other operational requirements required by its Franchise Agreement(s) and any manuals that govern the operation of the Franchised Restaurants.

ARTICLE 3

FEES

3.1 **Software Support Fees.** Commencing at the end of the first Fiscal Period following the date of this Agreement, Franchisee shall pay to CKR, by ACH payment, the Software Support Fees in the amounts and frequency set forth on Exhibit A. CKR shall have the right, upon 60 days' prior written notice to Franchisee, to increase the Support Services Fees.

3.2 Initial Training Support for Genius, PAR Brink and Crunch Time Software. In order to facilitate the support services, Franchisee agrees to purchase and participate in mandatory initial training programs for use of the Genius, PAR Brink and Crunch Time software. The scope of the training programs for each software is set forth on Exhibit C to this Agreement. The cost for the training programs shall be a one-time fee of $1,250 which will be billed to the Franchisee by CKR upon execution of this Agreement. Additional training programs may be made available to Franchisee, at CKR's discretion, for additional training fees.

3.3 Taxes. Franchisee shall be responsible for any applicable sales or use taxes or any value added or similar taxes payable with respect to the licensing of the Licensed Products, or arising out of or in connection with this Agreement. If CKR pays any taxes on behalf of Franchisee, CKR shall invoice Franchisee for those taxes, and Franchisee agrees to pay those taxes within 30 days from the date of invoice.

3.4 Interest. If any payments by Franchisee due to CKR are not received by CKR by the due date, Franchisee, in addition to paying the amount owed, shall pay CKR interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurants are located or 18% per annum calculated on a daily basis, whichever is less.

ARTICLE 4

CONFIDENTIALITY

4.1 Confidential Information. Franchisee shall protect the Confidential Information as trade secrets of CKR, Genius, PAR Brink and CrunchTime. Franchisee agrees that it shall not, without the written permission of CKR, Genius, PAR Brink and CrunchTime: **(a)** modify any Confidential Information; **(b)** reverse engineer, decompile, decrypt or disassemble the Confidential Information or attempt to do so; **(c)** transfer, rent, lease, lend or sublicense any Confidential Information to anyone for any purpose; or **(d)** reveal or disclose any Confidential Information for any purpose to any other person, firm, corporation or other entity, other than Franchisee's employees with a need to know that Confidential Information, to perform employment responsibilities consistent with Franchisee's rights under this Agreement. Franchisee shall safeguard and protect the Confidential Information from theft, piracy or unauthorized access in a manner at least consistent with the protections Franchisee uses to protect its own most confidential information. Franchisee shall inform its employees of their obligations under this Agreement and shall take those steps as may be reasonable in the circumstances, or as may be reasonably requested by CKR, PAR Brink and CrunchTime, to prevent any unauthorized disclosure, copying or use of the Confidential Information.

4.2 Unauthorized Disclosure. Franchisee shall notify CKR immediately upon discovery of any prohibited use or disclosure of the Confidential Information, or any other breach of these confidentiality obligations by Franchisee, and shall fully cooperate with CKR to help CKR regain possession of the Confidential Information and prevent the further prohibited use or disclosure of the Confidential Information.

ARTICLE 5

NO WARRANTY

CKR EXPRESSLY DISCLAIMS, AND FRANCHISEE HEREBY EXPRESSLY WAIVES, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CKR DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL MEET FRANCHISEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSED PRODUCTS WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ERRORS IN THE LICENSED PRODUCTS WILL BE CORRECTED. THE ENTIRE RISK OF THE QUALITY AND PERFORMANCE OF THE LICENSED PRODUCTS IS WITH FRANCHISEE. FRANCHISEE

ACKNOWLEDGES AND AGREES THAT FRANCHISEE IS ACCEPTING EACH OF THE LICENSED PRODUCTS UNDER THIS LICENSE IN ITS "AS IS" CONDITION.

ARTICLE 6

LIMITATION OF LIABILITY

CKR AND ITS AFFILIATES HAVE NO LIABILITY TO FRANCHISEE FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES. CKR WILL NOT BE RESPONSIBLE FOR ANY LOSS OF BUSINESS, LOSS OF PROFIT OR OTHER FINANCIAL LOSS BY FRANCHISEE DURING THE PERIOD IN WHICH THE LICENSED PRODUCTS ARE INOPERATIVE, NOR WILL CKR BE RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY THE LICENSED PRODUCTS. IN ANY EVENT, THE LIABILITY OF CKR TO FRANCHISEE FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO THE AMOUNT PAID TO CKR BY FRANCHISEE UNDER THIS AGREEMENT DURING THE TRAILING 12 MONTH PERIOD. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS AND OTHER TORTS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

ARTICLE 7

TERM AND TERMINATION

7.1 Term. The term of this Agreement shall, with respect to each Franchised Restaurant, be co-extensive with the term of the applicable Franchise Agreement.

7.2 Termination. This Agreement shall, with respect to each Franchised Restaurant, terminate simultaneously with the termination or expiration of the Franchise Agreement between Franchisee and Franchisor for that Franchised Restaurant. Either party may terminate this Agreement by providing 60 days' prior written notice to the other; provided, however, that CKR may terminate this Agreement, without prejudice to any other remedy CKR may have, immediately without further obligation to Franchisee in the event of: **(a)** any breach by Franchisee of any material provision of this Agreement which breach is not or cannot be remedied within 24 hours of CKR's notice to Franchisee; or **(b)** any assignment by Franchisee for the benefit of its creditors, the filing under any voluntary bankruptcy or insolvency law, under the reorganization or arrangement provisions of the United States Bankruptcy Code, or under the provisions of any law of like import in connection with Franchisee, or the appointment of a trustee or receiver for Franchisee or its property.

ARTICLE 8

GENERAL

8.1 Miscellaneous. The headings used in this Agreement are for convenience only and are not intended to be used as an aid to interpretation. If any part of this Agreement is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected. This Agreement will be binding upon and inure to the benefit of the parties to this Agreement, their respective successors and permitted assigns. Franchisee may not assign its rights or obligations under this Agreement without the prior written consent of CKR. Failure by either party to exercise any right or remedy under this Agreement does not signify acceptance of the event giving rise to such right or remedy. This Agreement

contains the entire agreement between the parties concerning the subject matter hereof and supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to this Agreement.

8.2 Governing Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles.

8.3 Force Majeure. CKR shall not be liable for any loss or damage due to: **(a)** delays caused by any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party; **(b)** food spoilage or loss of business; or **(c)** any other cause not within its control.

8.4 Limitation of Action. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement shall be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

8.5 Jurisdiction. The parties agree that, to the extent any disputes cannot be resolved directly between them, Franchisee shall file any suit against CKR only in the federal or state court having jurisdiction where CKR's principal offices are located at the time suit is filed. CKR may file suit in the federal or state court located in the jurisdiction where CKR's principal offices are located at the time suit is filed, in the jurisdiction where Franchisee resides or does business, where any Franchised Restaurant is or was located, where the claim arose or where Franchisor has its principal offices at the time suit is filed. Franchisee consents to the personal jurisdiction of those courts over Franchisee and venue in those courts.

8.6 Costs and Expenses. Franchisee agrees to pay to CKR on demand any and all costs and expenses incurred by CKR in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Franchisee to CKR. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, court costs, expert witness fees and discovery costs, together with interest charges on all of the foregoing.

8.7 Notice. No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(a)** if to Franchisee, Franchisee at the notice address set forth in Exhibit A; and **(b)** if to CKR, CKE Restaurants Holdings, Inc., 6700 Tower Circle, Suite 1000, Franklin, TN 37065 (marked Attn: Restaurant Technology) (Email: restauranttechnology@ckr.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(i)** delivered personally; **(ii)** transmitted by email to the address set forth above (or in Exhibit A) with electronic confirmation of receipt; **(iii)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(iv)** mailed via overnight courier.

[*Signatures on following page*.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives to be effective as of the date first written above.

CKR:
CKE RESTAURANTS HOLDINGS, INC.

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

1. Franchised Restaurants:

Unit Number	Location

2. **Software Support Fees:**

L1/L2 Help Desk Support	$118 per Franchised Restaurant per Fiscal Period (i.e., CKR's 4-week accounting period)
Hosting Fee (PAR Brink ONLY)	$6.50 per Fiscal Period (4-week accounting period), plus a CrunchTime hosting fee of $1.50 per Fiscal Period

3. Support Services: Licensor shall provide access to help desk support services at designated dates and times set by Licensor and which shall be accessible by the Help Desk Access Number set forth below or to such other telephone number, email address or other means that may be designated by Licensor from time to time.

4. Help Desk Access Number: (866) 400-2253

5. Franchisee's Notice Address: _____

EXHIBIT B

COVERED EQUIPMENT*

Milestone	Definition	Date
End-of-Life Announcement Date	The date the document that announces the end-of-sale and end-of-life of a product is distributed to the general public.	December 31, 2027

EOL Equipment	Product Description	Replacement Equipment	Additional Information
KITCHEN			
		Brink Kitchens w/HP controllers	HP-T530 w/ approved Bump Bar
POS Terminals			
PAR 7700 Terminal (ES7K) & older PAR terminals	POS Ready 7 embedded w/ EOL Oct 2021	ES600	PAR TECH INC.
		TERMINAL, ES 600	PAR TECH INC.
		AURES 1900 (J1900)	Yuno
None	None	GC26	Genius
Dell AIO	WIN7 devices need to be upgraded to WIN10	Dell 3030/3050	All units out of warranty and limited supply
Pin Pad Devices			
Elavon IPP 350	Device is EOL - now in a Break/Replace format (no Brink SAF)	Elavon Lane 3000	Device - only certified with Brink SAF
None		Verifone P630, Victa Portable, and UX700	
Back Office Computers			
Dell 7010,7020,5040 , 3010, 3020	Win 7 devices	Dell Pro Micro QCM1250	
Drive Thru Devices			
HyperView POE Display	HAT POE OCB - HX2-K50	Genius oDMB w/ OCB embedded	Genius - with multiple options of screens and pre-sale board

EOL Equipment	Product Description	Replacement Equipment	Additional Information
Delphi OCB - serial based or pre-RP network based	Older Delphi OCBs - including serial and pre-9200 series IP based	Genius oDMB w/ OCB embedded	Genius - with multiple options of screens and pre-sale board
Delphi FTT1000/FTT3000	Serial based timers from FastTrak - EOL	HME ZOOM Nitro DRIVE-THRU	Zoom Nitro timer with Cloud enablement and CKE Data Feed
HyperActive Q-Timer (Acrelec)/ Delphi		HME ZOOM Nitro DRIVE-THRU	
LMS Training		**LMS TRAINING**	
Dell 7010,7020,5040 , 3010, 3020	Dell desktops used for LMS - will function but OOW and not being repaired	Galaxy Android tablet	Obtained via SHI and tied to CKE WiFi
		Dell Pro Micro QCM1250	Hardwired w/ Meraki connection (direct support only)

* Franchisee must replace end of life equipment with current Franchisor approved equipment. CKE will not support equipment that has reached its end of life as accounted by CKE. Xenial IRIS POS end of life date is December 31, 2027.

EXHIBIT C

SCOPE OF TRAINING FOR GENIUS AND CRUNCHTIME

CrunchTime Scope of Training

- Train-the-trainer model
- Start Date: TBD
- Remote training only
- 4 hours of remote training to be conducted in classroom attendance
- Training will include a screen share
- Advance Class registration required

Genius Scope of Training (FOR NEW FRANCHISED RESTAURANTS)

- Train-the-trainer model
- Start Date:
- Remote training only (onsite training not available)
- Remote Training via Genius Academy, Genius Virtual Terminals and LMS Courses.
- Training will include an early training terminal.

EXHIBIT G-2

OLO AUTHORIZED OPERATOR AGREEMENT

OLO AUTHORIZED OPERATOR AGREEMENT

This Olo Authorized Operator Agreement (the "Agreement"), effective as of _____ (the "Effective Date"), is made by and between Olo Inc., a Delaware corporation with a business address at 285 Fulton St. 82nd Floor, New York, NY 10007 ("Olo") and _____, a _____ with a business address at _____ ("Operator").

RECITALS

WHEREAS, Olo offers e-commerce, delivery enablement, payment solutions, and other associated solutions and services; and

WHEREAS, Operator is an authorized franchisee or licensee of CKE Restaurants Holdings, Inc. ("Customer");

WHEREAS, Customer has entered into an agreement ("Master Services Agreement") with Olo, whereby Olo shall provide certain services to Customer which may include e-commerce, delivery enablement, payment solutions, and other associated solutions and services; and

WHEREAS, Operator desires to use the services made available to Customer pursuant to the Master Services Agreement, and Olo desires to make available such services for use by Operator, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Definitions

"Aggregator" means an entity that offers End Users the ability to order Products (as defined below) from a range of different brands via a unified consumer-facing mobile application, website, storefront, or other means. For the avoidance of doubt, an Aggregator shall also be considered as a "Customer Third Party Provider.

"Customer Third Party Providers" means third parties used and/or directed by Customer that interface with the Licensed Applications.

"End User(s)" means the consumers who access the Customer or Operator's Licensed Applications (as defined herein) directly or indirectly, typically in conjunction with placing a digital order for the Product(s).

"Licensed Applications" means the products and services that are developed and operated by Olo to provide e-commerce, Aggregator integration, delivery enablement, and payment solutions and other associated services to its customers generally (through web, mobile web, mobile applications, voice ordering and call center solutions as applicable), and other related products and services which may be added from time-to-time, including any associated application program interfaces ("API(s)") and any enhancements or modifications thereto.

"Operator Launch Date" means the specific date on which the initial Licensed Applications are available to End Users from Operator locations.

"Personally Identifiable Information" or "PII" means any and all individually identifiable information or data relating to a natural person that (a) directly or indirectly identifies or can be used to directly or indirectly identify an individual or household, (b) that relates to an individual or household, whose identity can be either directly or indirectly inferred, including any information that is linked or linkable to that individual or household, or (c) that may be considered personally identifiable information under any applicable Data Protection Laws (which includes any and all statutes, laws, ordinances, rules, regulations, codes, orders, official guidance, or other requirements of any federal, state, local, or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of any competent jurisdiction, relating to the protection, use, or security of personally identifiable information, including, but not limited to, the California Consumer Protection Act).

"Product" means the food, beverage and/or any other good provided by the Operator for order by an End User.

"Services" means any services that Olo provides with each Licensed Application to Operator.

2. Services

2.1. Use of this Agreement. To the extent applicable, terms and conditions specific to each selected Licensed Application and the Services shall be set forth in Addendums attached hereto.

The Services shall also include any required, usual, appropriate or acceptable methods to perform activities related to the Services, including without limitation (a) conducting analytics and other product improvement activities, (b) carrying out the Services or the business of which the Services are a part, (c) carrying out any benefits, rights and obligations related to the Services, (d) maintaining records relating to the Services, and (e) complying with any legal or self-regulatory obligations related to the Services.

3. License; Proprietary Rights

3.1. License. Subject to the terms and conditions of the Agreement and the applicable Addendums, Olo hereby grants to Operator, during the Term, a non-exclusive, non-sublicensable (except as permitted hereunder), non-transferable (except pursuant to Section 10.4) license to access and use for itself and its End Users, the specific Licensed Applications selected in the applicable Customer Order Form. Operator shall not (a) assign this Agreement to any third party (it being understood that any such assignment shall be void ab initio); or (b) transfer, sell, or assign the right to use the Licensed Applications, including for the avoidance of doubt to any Customer Third Party Provider (except pursuant to Section 10.4). Olo reserves the right, in its sole discretion, to promulgate commercially reasonable standards that must be adhered to by Customer Third Party Providers (including, but not limited to, Olo's certification of all integrations to the Olo APIs). Any Customer Third Party Provider's breach or suspected breach of data security or confidentiality, abuse, or malicious or suspected malicious activities, may (at Olo's sole discretion) necessitate the immediate suspension, and possible termination, of Customer Third Party Provider's access to the Licensed Applications. A breach of the obligations set forth in this Section 3.1 by Operator may constitute a material breach of this Agreement.

3.2. Proprietary Rights. As between Operator and Olo, Operator hereby acknowledges and agrees that Olo owns all right, title and interest, including all copyrights and other intellectual property and proprietary rights, in and to the Licensed Applications, and all custom developed documents, designs, computer programs, computer systems, computer documentation and other work product authored or prepared by Olo upon the request of Customer or otherwise arising out of the Services (collectively, "Olo IP").

3.3. Trademark License. Operator acknowledges that the ownership, right, title and interest in and to Olo's trademarks rests with Olo and agrees that it will do nothing inconsistent with such ownership. Operator may use the slogan "Skip the Line®" in marketing materials and store displays in reference to the order ahead program utilizing the Licensed Applications; provided however that any display of such slogan clearly denotes the slogan as a registered trademark of Olo.

4. Confidentiality; Security

4.1. A Party receiving Confidential Information may only use Confidential Information to exercise its rights and fulfill its obligations under this Agreement and will take reasonable measures to avoid unauthorized disclosure or misuse of the Confidential Information, including, but not necessarily limited to, taking such security precautions as it takes to protect its own Confidential Information. During and after the Term, the receiving Party agrees not to disclose Confidential Information, except (a) to its employees, agents, independent contractors, or professional advisors who have a need to know the same and who are legally bound to keep it confidential; (b) to a potential acquirer of the receiving Party's relevant assets, stock, or business under a strict duty of confidentiality, but only to the extent such potential acquirer has executed a term sheet, letter of intent or other similar agreement to negotiate such acquisition, and (c) as required to be disclosed by applicable Law, or judicial or other governmental or regulatory order (provided that the disclosing Party must use reasonable efforts to notify the other Party, unless legally prohibited, prior to disclosure in order to afford such other Party the opportunity to at its own expense seek a protective order or otherwise prevent or limit the disclosure). For the avoidance of doubt, the terms of this Agreement are Confidential Information belonging to both parties.

4.2. Security. The terms of Olo's Security Policy, available at www.olo.com/security-policy, are hereby incorporated by reference. Customer may provide in writing additional minimum security requirements, which Olo will use commercially reasonable efforts to promptly implement.

5. Representations and Warranties

5.1. Each party represents and warrants that (a) it has the legal power and authority to enter into this Agreement; (b) it will not violate, or use or provide the Services (as applicable) in violation of, any applicable Laws, including any applicable privacy and Data Protection Laws, or any third party right; (c) it will use or provide the Services (as applicable) in compliance with its agreements with third parties; and (d) it will comply with the terms of the Olo Security Policy, which are incorporated into this Agreement by reference. Olo further represents and warrants that (i) it will provide the Services in a manner consistent with general industry standards reasonably applicable to the provision thereof, and (ii) its Security Policy will be no less stringent throughout the Term, and for two (2) years following the termination of this Agreement, than is as described at www.olo.com/security-policy; (iii) the Licensed Applications will be free from viruses or other disabling features and perform in all material respects to the applicable documentation for each Licensed Application.

5.2. OLO MAKES NO REPRESENTATION OR WARRANTY OTHER THAN THOSE SET FORTH IN THIS AGREEMENT. THE WARRANTIES STATED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Term and Termination

6.1. Term – Generally. The Term of this Agreement shall begin on the Operator Launch Date and shall remain in force for a period that shall expire once all corresponding Order Forms have terminated. . This Agreement and corresponding Order Forms may terminate earlier as provided in Section 7.2 or Section 7.3, or as the parties may otherwise agree in writing.

6.2. Termination of the Master Services Agreement. This Agreement shall automatically terminate if and when the Master Services Agreement is terminated between Olo and Customer.

6.3. Termination for Cause; Reasonable Opportunity to Cure Breach. If a party breaches any material provision of this Agreement, the non-breaching party may terminate this Agreement and corresponding Order Forms by giving thirty (30) days' notice to the other party, except that such a termination shall not take effect if the breaching party cures the breach before the end of such thirty (30) day period. For purposes of this Agreement, breach of a material provisions means a breach that has caused or, with the passage of time, will cause substantial harm to the interests of the aggrieved party, specifically including but not limited to breaches

of 3.1 (License), 3.2 (Proprietary Rights), 3.3 (Trademark License) and 5 (Confidentiality; Security), or if the aggregate effect of non-material breaches by the same party satisfies this standard for materiality.

6.4. Termination of Franchise Agreement/Elimination of Location. This Agreement shall automatically terminate as to a franchised location if and when (i) the franchise agreement between Customer and Operator is terminated, in which case this Agreement shall terminate as to all Customer franchised locations of Operator, or (ii) Operator no longer owns and operates the franchised location, in which case, this Agreement shall only terminate as to such franchised location.

7. Indemnification

7.1. Each of Olo and Customer (in such capacity, the "Indemnifying Party") shall defend, indemnify and hold harmless the other Party and its officers, directors and employees (each an "Indemnified Party") from all third-party claims and liabilities (including reasonable outside attorney's fees) arising out of or relating to the Indemnifying Party's (i) negligent acts or omissions including the negligent acts or omissions of its employees, subcontractors or representatives and with respect to Customer, its Third Party Providers or Authorized Operators; (ii) breach of Section 5 or 6; or (iii) infringement or misappropriation of a third party's trade secret, or United States patent, trademark or copyright, or other intellectual property right in connection with (a) with respect to Olo, the Licensed Applications, software or other technology Olo uses to provide the Services to Customer hereunder and (b) with respect to Customer, the technology, data, or other materials Customer provides or uses with the Services ("Customer Materials") (the indemnification obligation of each Party described in this clause (iii), the "IP Infringement Obligation"). The previous sentence states the sole liability of the Indemnifying Party, and the sole remedy of the Indemnified Party, with respect to any third-party claim arising out of the Indemnifying Party's negligent acts or omissions (other than claims arising from fraud, criminal activity or willful misconduct).

7.2. Additionally, Customer shall defend, indemnify and hold harmless Olo and and its officers, directors and employees (each, an "Indemnified Party") from all third-party claims and liabilities (including reasonable outside attorney's fees) arising out of or relating to (i) any action against Olo arising out of any Customer Third Party Provider's disclosure or misuse of Customer Data or related to Olo's release of such Customer Data, including PII, if the release of such information was requested in writing by Customer; (ii) Customer's failure to properly collect and remit taxes or other government payments or fees associated with its usage of the Services, which shall be the sole responsibility of the Customer and, if applicable, the Authorized Operators; and (iii) the transfer of Customer Data by any means not recommended or deemed reasonably secure by Olo.

7.3. The Indemnified Party must (a) promptly notify the Indemnifying Party in writing of any third-party claim (provided that a failure to promptly notify will not relieve the Indemnifying Party of its indemnification obligations, except to the extent it has been prejudiced by such failure); (b) reasonably cooperate with the Indemnifying Party in the defense of the matter; and (c) give the Indemnifying Party primary control of the defense of the matter and negotiations for its settlement. The Indemnified Party may, at its own expense, join in the defense with counsel of its choice. The Indemnifying Party may not enter into a settlement unless it (i) involves only the payment of monetary damages by the Indemnifying Party, and (ii) includes a complete release of liability in favor of the Indemnified Party; any other settlement will be subject to the written consent of the Indemnified Party (not to be unreasonably withheld).

7.4. Olo's IP Infringement Obligation will not apply to claims to the extent arising from (i) Customer's use of the Licensed Applications or Services in violation of this Agreement, (ii) the Customer Materials' infringement or misappropriation of a third party's trade secret, or U.S. patent, trademark, or copyright, or (iii) the combination, operation, or use of the Service(s) with any product, service or material not provided by Olo or on Olo's behalf. Customer's IP Infringement Obligation will not apply to claims to the extent arising from (a) Olo's provision of the Service in violation of this Agreement, or (b) Olo's infringement or misappropriation of a third party's trade secret, or U.S. patent, trademark, or copyright. If a Service is, or in Olo's reasonable opinion is likely to be, ruled by a court of

competent jurisdiction as infringing upon a third party's intellectual property, Olo will promptly notify Customer and, at Olo's sole option and expense, either: (a) procure the right to continue providing the Service as contemplated by this Agreement, (b) modify the Service to render it non-infringing, or (c) replace the Service with a substantially equivalent, non-infringing service. If none of the foregoing options is commercially practicable, then each Party will have the right to terminate this Agreement with respect to the infringing Service.

8. Limitation of Liability

EXCLUDING EITHER PARTY'S IP INFRINGEMENT INDEMNIFICATION OBLIGATIONS, A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF CONFIDENTIALITY, DATA PRIVACY OR DATA SECURITY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR (A) ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ONE OR BOTH PARTIES KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, AND (B) BUT FOR THE EXCLUSIONS ABOVE WITH RESPECT TO WHICH EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED FIVE MILLION DOLLARS ($5,000,000), EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE TO OLO IN CONNECTION WITH OLO'S PROVISION OF THE SERVICES DURING THE TWELVE (12) MONTHS BEFORE THE DATE WHEN THE LIABILITY AROSE. THE PARTIES ACKNOWLEDGE THAT THE TERMS OF THIS SECTION 9 REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS OF LIABILITY.

9. Miscellaneous

9.1. Notices. All notices and other communications sent under this Agreement must be in writing (including by email) and will be deemed effective when delivered. All notices shall be sent to the applicable mailing address or email address set forth on the signature page hereof.

9.2. Governing Law. This Agreement is governed by and construed in accordance with the laws of Delaware, without regard to the conflicts of law rules thereof. The parties consent to the exclusive jurisdiction and venue of courts in Castle County, Delaware for all disputes hereunder.

9.3. Insurance. Olo shall maintain the following insurance coverage throughout the term of this Agreement, with minimum limits as follows:

i. Commercial General Liability on an occurrence basis, with a limit of $1,000,000 per Occurrence/$2,000,000 Aggregate for bodily injury and property damage liability.

ii. Workers' Compensation as provided for under any workers' compensation or similar law in the jurisdiction where work is performed. Employer's Liability with a limit of $1,000,000 Each Accident; $1,000,000 Disease-EA Employee; $1,000,000 Disease-Policy Limit

iii. Umbrella Liability with a limit of $5,000,000 in excess of Liability insurance.

iv. Professional/Cyber/Media Tech Liability Limit to $40,000,000

1. Professional (Errors and Omissions) Liability covering the Liability for financial loss due to errors, omissions, negligence of employees or machine malfunction

2. Technology Errors and Omissions/Cyber Liability including Network Security/Privacy covering

liability for loss or damage due to an act, error, omission, or negligence and for claims arising from unauthorized access to or use of the Licensed Software. Such insurance shall cover network security and privacy risks, including, but not limited to, unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of PII, privacy perils, and including coverage amounts and a copy of Olo's Certificates of Insurance.for related regulatory defense and penalties. Furthermore, the insurance shall cover data breach expenses and be payable whether incurred by Customer or Olo, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services. The coverage shall be written on a claims made and reported basis.

3. Intellectual Property Infringement Liability

All policies shall maintain a minimum A.M. Best rating of A- (V) at all times during the term of this Agreement. The General Liability and Umbrella policies shall include Customer, its parent, affiliates, subsidiaries and franchisees as additional insureds, on a primary and non-contributory basis and shall include a thirty (30) day written notice of cancellation. Olo must provide to Customer a certificate of insurance evidencing the required coverages prior to commencing any work for Customer. It is the responsibility of Olo to notify Customer of any material changes and/or renewals to its required insurance. Olo shall require all permitted subcontractors to maintain the required insurance. No goods or services shall be provided hereunder until this insurance is obtained, a certificate is provided to Customer and Customer has approved the certificate in writing.

9.4. Assignment. Neither party may assign or transfer any part of this Agreement without the prior written consent of the other Party except that this Agreement may be assigned without consent: (a) to a person or entity who acquires all or substantially all of the assigning Party's assets, stock or business, and (b) to any affiliate or subsidiary of a Party; in each case, so long as the assignee accepts the obligations hereunder in writing. Any purported assignment of rights or obligations, except as expressly permitted herein, will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties and their respective permitted successors and assigns.

9.5. Severability. If any provision of the Agreement is found unenforceable, it and any related provisions will be interpreted to best accomplish the unenforceable provision's essential purpose.

9.6. Relationship of Parties. The Parties are independent contractors, and this Agreement does not create an agency, partnership, or joint venture.

9.7. Amendment/Modification. This Agreement may be modified or amended only by a separate writing signed by Olo and Customer expressly so modifying or amending this Agreement or the Master Services Agreement.

9.8. Certain Remedies. The parties acknowledge that the breach of Sections 3 and 5 will give rise to irreparable injury to the non-breaching party inadequately compensable in damages. Accordingly, the parties agree that injunctive relief will be an appropriate remedy to prevent violation of the parties' respective rights and/or obligations under those two sections. However, nothing in this Section 10.8 shall limit a party's right to any other remedies in equity or at law, including the recovery of damages.

9.9. Force Majeure. Neither party will be deemed to be in default of or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of service, resulting directly or indirectly from acts of God, acts of civil or military authorities, civil disturbances, wars, fires, state-sponsored cyber

terrorism, cyber-attacks or brute force attacks, espionage, sabotage, other catastrophes, and other causes beyond its reasonable control; provided, however, that Operator shall have no obligation to pay Olo during a Force Majeure event.

9.10. Counterparts. This Agreement may be executed in two counterparts, which together shall constitute but one and the same instrument. Executed counterparts transmitted electronically (via email or e-signature software) shall constitute originals for all intents and purposes.

9.11. Waiver. A waiver by either party of any term or condition of this Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of this Agreement or a general waiver.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers.

Operator	Olo Inc.
By _____ Name _____ Title. _____	By _____ Name _____ Title. _____
Date _____	Date _____
Mailing Address for Notices: 6700 Tower Circle Suite 1000 Franklin, TN 37067	Mailing Address for Notices: One World Trade Center 285 Fulton Street, 82nd Floor New York, NY 10007

Digital Ordering Terms & Conditions Addendum

This Addendum forms a part of the Agreement and is applicable upon execution of the Agreement in conjunction with a Customer Order Form in which Customer and Olo have agreed that Olo will provide Operator with its Customer-branded Licensed Applications which will power Customer's digital ordering solution ("Digital Ordering"). In the event that this Addendum conflicts with the Agreement or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Exclusivity. During the Digital Ordering Term, Olo shall be the exclusive provider of Digital Ordering to Operator. Operator agrees to require the Olo program for all existing and future locations owned by Operator. Notwithstanding the foregoing, Operator shall have the right to use Aggregators at their sole discretion.
2. Service Level. During the Digital Ordering Term, Digital Ordering will be operational and available to Operator at least 99% of the time in any calendar month (the "SLA"). Solely to the extent that Customer chooses the Pro or Enterprise Service Editions, the SLA thresholds and applicable service credits are as follows:
    a. If Olo does not meet the SLA, and if Customer and Operator meet its obligations under the Agreement and this Addendum, Operator will be eligible to receive the Service Credits described below. Subject to this SLA and 7.3 of the Agreement, this SLA states Operator's sole and exclusive remedy for any failure by Olo to meet the SLA.
    b. Definitions. The following definitions shall apply to the SLA:
        i. "Downtime" means the period of time during which Digital Ordering fails to be operational and available across any platform to End Users to place a digital order (for reasons other than those set forth below) until Digital Ordering, on all platforms, again becomes operational and available to End Users.
        ii. "Permitted Downtime" means the period of time during which Digital Ordering fails to be operational and available due to software upgrades and scheduled maintenance, conducted on a regular basis between 3:00 a.m. and 6:00 a.m. Eastern Time, of which Olo will give Customer and Authorized Operator a minimum of twenty-four (24) hours advanced notice. Notwithstanding the foregoing, Olo shall be permitted to take up to five (5) minutes of downtime on any day during the calendar year between 4:00 a.m. and 6:00 a.m. Eastern Time without prior notice to Customer.
        iii. "Monthly Uptime Percentage" means the total number of minutes in a calendar month minus the number of minutes of Downtime suffered in a calendar month, divided by the total number of minutes in a calendar month.
        iv. "Service Credit" means the following:

Monthly Uptime Percentage	Service Credit
99.9% - 99.5%	5% reduction in next month's Digital Ordering fees
99.49% - 98.0%	10% reduction in next month's Digital Ordering fees
97.99% - 96.0%	20% reduction in next month's Digital Ordering fees
< 95.9%	30% reduction in next month's Digital Ordering fees

*Service Credit shall be calculated using the Service Edition Monthly Fee for the month in which Olo does not meet the SLA, and shall be applied to the following month's invoice.

c. Olo shall notify Customer and Operator within five (5) business days from the end of the month if Customer is eligible to receive a Service Credit for the preceding month. To the extent that any Downtime having been determined by Olo, in its good faith reasonable discretion, was caused by a reason outlined in Paragraph 4(e) below, Olo shall have an additional ten (10) business days to notify Customer and Operator of their Service Credit for the preceding month if any.

d. The aggregate maximum Service Credit to be issued by Olo to Operator for all Downtime (not including Permitted Downtime) that occurs in a single calendar month shall not exceed a thirty percent (30%) credit in the next month's fees.

e. The SLA does not apply to any Downtime to the extent it was caused by: (i) Customer or Authorized Operator environment issues affecting connectivity or interfering with Digital Ordering, including without limitation, Customer or Authorized Operator's connection to the Internet (i.e., problems with the Customer or Authorized Operator's Internet Service Provider, modem, cable, DSL or dial-up connection, mobile phone connection or other Customer or Authorized Operator Internet connectivity issues) or any other Customer or Authorized Operator equipment or software (including third party attacks, including without limitation, hacks, intrusions, distributed denial-of-service attacks or any other third party actions intended to cause harm to or disrupt Customer's Third Party Providers, including without limitation, e-commerce software, payment gateways, Aggregators, and loyalty or rewards providers, that are integrated into the Olo APIs), Customer or Authorized Operator's firewall software, hardware or security settings, Customer or Authorized Operator's configuration of anti-virus software or anti-spyware or malicious software, Customer's use of or placement of Javascript code and/or other tracking or measurement software or code (including Google Analytics), or operator error of Customer or Authorized Operator; (ii) directly or indirectly integrating any Aggregator orders into the POS if such failure to integrate is no fault of Olo; (iii) Customer or Authorized Operator's Point of Sale (POS) failure(s) or the failure to properly maintain the POS environment, including updating the POS firmware or version of the software running on the POS as recommended by either Olo, a third party POS reseller or servicer, or the POS provider themselves; (iv) verified bugs of any third party software used in conjunction with Digital Ordering and failure of third party professional services; (v) force majeure events as described in Section 10.10 of the Master Services Agreement; (vi) issues related to third party domain name system (DNS) errors or failures; (vii) emergency maintenance of the Licensed Applications, including without limitation suspension of Licensed Applications in response to a Breach of Security, for which Customer or Authorized Operator may not receive advanced notice; or (viii) Permitted Downtime.

f. Olo will post notifications publicly to https://status.olo.com of any outages in production systems under its control and that may impact multiple customers for more than one (1) minute in any twenty-four (24) hour period other than as permitted under Section 3(b)(ii) above. Olo may occasionally post notifications of significant outages at third party providers, which may include Customer Third Party Providers, outside of Olo's control, such as payment, POS, loyalty, Delivery Service Providers, or Aggregators. Olo cannot be relied upon for comprehensive reporting of outages at third party providers and makes no representation that Olo's information is accurate or up to date. Olo's incident response procedures prioritize triaging and problem resolution over public communication, which may result in delays in posting status updates. Timestamps on status updates may not reflect the actual times of an incident.

Dispatch Services Terms & Conditions Addendum

This Addendum forms a part of the Master Services Agreement and is applicable upon execution of an Order Form in which the parties have agreed that Olo will provide the Customer with its delivery platform allowing for the scheduling and billing of delivery services ("Dispatch"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Definitions

"**Available Delivery Service Providers**" shall mean the Delivery Service Providers who have been selected and approved by Olo to create a Profile on the Platform and are available to Operator (to the extent applicable) to make deliveries to End Users in a given Delivery Area on behalf of Operator.

"**Confirmed Delivery Response**" shall mean that the Platform has transmitted an End User delivery request to a Selected Delivery Service Provider(s) that has responded back with an acceptance of that delivery request.

"**Delivery Area**" shall mean the area(s) in which a Delivery Service Provider offers delivery service to End Users.

"**Delivery Fees**" shall mean the fees that are quoted by Olo as "delivery service fees" plus a tip (if any) added to the payment form the End User fills out for the delivery of the Product.

"**Delivery Guidelines**" shall mean the rules and responsibilities associated with the delivery of the Product to the End User, which are located at www.olo.com/delivery-guidelines and which may be updated by Olo from time to time.

"**Delivery Service Providers**" shall mean the providers of delivery services, selected by Olo and given access to the Platform by Olo, that use their own employees or independent delivery drivers.

"**Delivery Requirements**" shall mean the requirements established by Customer or Operator in the Platform relating to the selection of the Delivery Service Providers who may be Available Delivery Service Providers for Operator.

"**Platform**" means the system operated by Olo that allows customers to provide Delivery Requirements and place requests with Olo to deliver Products to End Users and facilitates through those Delivery Service Providers who meet the Delivery Requirements, including any associated application program interfaces and technology and any enhancements or modifications thereto.

"**Profile**" means the information provided by a Delivery Service Provider for review by Olo and as updated by Olo quarterly or upon material changes, in order to allow the Delivery Service Provider to participate on the Platform.

"**Selected Delivery Service Provider**" means an Available Delivery Service Provider that is selected by Olo on behalf of Operator (based on the Delivery Requirements established by Customer or Operator) to deliver a given order for Products to End Users on behalf of the Operator in the Delivery Area.

2. Selection of Delivery Service Providers

2.1 Available Delivery Service Providers. As part of the Platform, Olo allows Delivery Service Providers to sign up for use of the Platform and complete a Profile. Operator may access a list of Available Delivery Service Providers based on the Delivery Requirements.

2.2 Selection of Available Delivery Service Providers. Olo will select the Selected Delivery Service Providers based on the Delivery Requirements and the Profiles of Available Delivery Service Providers in each Delivery Area. Notwithstanding the foregoing, to the extent that Customer or Operator does not provide any parameters for Olo to choose an Available Delivery Service Provider, one shall be selected automatically by Olo. Customer or Operator may change its Delivery Requirements at any time in its sole discretion.

3. Delivery

3.1 Quotes. Olo provides Operators with access to the Platform in order to request and receive delivery quotes (delivery time and pricing) and Olo will provide such quotes if there is an Available Delivery Service Provider available for a given order.

3.2 Availability. The Operator may seek a bid for the delivery to a given End User of the Product(s) ordered by that End User through the Platform. Each Selected Delivery Service Provider who is available to make a delivery in a given Delivery Area may respond to the request for a delivery and the delivery order will be assigned based upon the Delivery Requirements provided by Customer or Operator. If a delivery response does not meet that Customer's Delivery Requirements, or any additional filters or criteria which may be applied by Olo from time to time, then delivery may not be available for that End User order.

4. Additional Obligations

4.1 Olo Obligations. In addition to the other obligations set forth in this Agreement, Olo shall also use commercially reasonable efforts to: (a) require that the Delivery Service Providers maintain an accurate Profile; (b) require that the Delivery Service Providers maintain and enforce strict guidelines for their drivers, including any independent delivery drivers; (c) require that the Delivery Service Providers; use of the End User data is subject to Olo's privacy policy in effect at the time; (d) require that no End User PII is used by Delivery Service Providers to market any additional products or services to those End Users; and (e) require that all End User PII will be secured from unauthorized access, use, disclosure, loss and theft using industry standard security practices and technologies.

4.2 Operator Obligations. In addition to the other obligations set forth in this Agreement, Operator shall also use commercially reasonable efforts to: (a) ensure they comply with the Delivery Guidelines; (b) ensure that they promptly respond to all End Users' inquiries; (c) use the Platform to promptly respond to all End User issues, including cancellations and refunds; and (d) use best efforts to create tickets in Dashboard or the Olo API, as applicable, for Selected Delivery Service Providers for issues related to the order or delivery in question. To the extent Operator integrates directly with the Olo API, Operator hereby agrees to any additional terms of service that may be applicable to its Selected Delivery Service Providers. Operator shall not create any obligation of the Delivery Service Provider or Olo to provide any refund other than as specifically set forth in the Delivery Parameters and Refund Matrix located at www.olo.com/delivery-parameters-and-refund-matrix.

5. Third Party Beneficiaries

Olo operates a Platform for Customers and Delivery Service Providers to transact with each other. Olo does not provide the delivery services, and therefore does not assume, and expressly disclaims, any liability arising from Operator's use of the delivery services and the Selected Delivery Service Providers' provision of the delivery services. To facilitate direct dispute resolution between Operator and each Selected Delivery Service Provider in connection with Operator's use of delivery services, Operator's Selected Delivery Service Providers are third-party beneficiaries of Operator's obligations as set forth herein, and Operator is a third-party beneficiary of Operator's Selected Delivery Service Providers' obligations as set forth in their agreements with Olo. Olo will indicate to Operator through the Platform which Delivery Service Providers are subject to such third-party beneficiary obligations. Olo's Delivery Service Providers which have contractually committed to such third-party

beneficiary obligations have agreed not to assert a defense based on lack of privity against any Operaotr seeking to enforce their third-party beneficiary rights hereunder.

6. Disclaimer.

OLO MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OF ANY PROFILE INFORMATION AND OLO MAKES NO INDEPENDENT VERIFICATION OF THE INFORMATION PROVIDED BY A DELIVERY SERVICE PROVIDER (OTHER THAN THE REPRESENTATIONS AND WARRANTIES MADE BY THAT DELIVERY SERVICE PROVIDER AS TO THE ACCURACY OF THE PROFILE INFORMATION). OLO MERELY MAKES A PLATFORM AVAILABLE TO FACILITATE THE INTERACTIONS BETWEEN DELIVERY SERVICE PROVIDERS AND CUSTOMERS; OLO IS NOT RESPONSIBLE FOR THE PERFORMANCE OF DELIVERY SERVICE PROVIDERS.

Rails Terms & Conditions Addendum

This Addendum forms a part of the Agreement and is applicable upon execution of the Agreement and in conjunction with a Customer Order Form in which Olo and Customer have agreed that Olo will provide Operator with its Aggregator integration and management platform ("Rails"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

"Rails" means the service, provided by Olo, and utilized by Operator at its sole discretion, in which Aggregators connect to the Olo platform in order to (a) receive store information including, but not limited to, store location data, menu item availability, product make times, available production capacity, and item pricing; (b) transmit orders made on Aggregator website or mobile application to the Customer's or Operator's Point of Sale systems (POS) through the Olo APIs; (c) monitor and report Aggregator activity; and, at Operator's sole discretion, (d) control order flow into the store.

In order for Operator to utilize Rails, Operator consents to allow Olo to transfer, or otherwise provide access to, certain data, including but not limited to, menu information and general restaurant information to Aggregator. Olo will not share any PII with Aggregator. Data may only be used for the limited purpose outlined above, namely use of Rails. Operator agrees that Olo shall have no liability to Operator for the granting of access to, or the misuse of such data, by Aggregator, or any other claims arising out of or related to the granting of access to the data unless such claims are based on Olo's negligence in such actions.

Olo shall be the exclusive provider of integration services for Aggregator ordering platforms to Operator. Also during the Term, Operator shall not use, test or support any Aggregator-initiated ordering service in lieu of Licensed Applications. Operator agrees to require the Olo program for all existing and future locations owned by Operator.

Google Rails Premium Addendum

This Addendum (this "GRP Addendum") forms a part of the Agreement and is applicable upon execution of the Agreement and in conjunction with a Customer Order Form in which Olo and Customer have agreed that Olo will provide Operator with Google Rails Premium ("GRP"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Definitions

"Actions on Google" means Google's platform that allows the integration of Licensed Content (and related services) with assistive experiences and services across products and services.

"Brand Features" means Customer's trade names, trademarks, service marks, logos, domain names, and other distinctive brand features.

"Google Data" means (i) data provided by Google to Olo via the Google API that facilitates actions by Customer and End Users and (ii) any reporting provided by Google to Olo.

"Licensed Content" means (a) any Customer content that is provided to or retrieved by Google through a Google API or other mutually agreed delivery mechanism, and (b) any Updates.

"Updates" means any update, refresh, correction or modification to the Licensed Content provided by Customer under this GRP Addendum.

2. Grant.

a. **Transfer of Data.** Customer consents to allow Olo to transfer, or otherwise provide access to, certain data, including but not limited to, menu information and general restaurant information to Google pursuant to this GRP Addendum ("Data"). Olo will not share any PII with Google. The Data may only be used for the limited purpose outlined above, namely use of GRP. Customer agrees that Olo shall have no liability to Customer for the granting of access to, or the misuse of the Data, by Google, or any other claims arising out of or related to the granting of access to the Data.

b. **Licensed Content.** Customer grants to Olo a perpetual, irrevocable, worldwide royalty-free, nonexclusive, license to use the Licensed Content in connection with GRP (including Actions on Google and Google products and services made available on third party devices and interfaces). Customer acknowledges that its Licensed Content may be sublicensed by Google but only to the extent necessary to permit end users to use GRP products and services, including those made available on third party devices and interfaces.

c. **Google Data.** Any Google Data to which Customer is provided access through Olo may only be used by Customer to respond to End User queries received from Google products and services to communicate with particular End Users identified by Google (e.g., to process or deliver a food order, issue a refund). Customer may only use Google Data to provide assistance to these End Users who have placed a food order.

d. **Retention of Rights.** Customer retains all rights in Licensed Content and its Brand Features and has no right to any Google Data or any content created, submitted, or used in connection with the Google products and services.

3. Prohibited Actions.

a. Customer will not:

i. use Google Data other than to provide assistance to or to market to end users who have placed a food order provided that such marketing shall only be via email and to End Users that have provided Google with consent to receive marketing from Customer;

ii. generate automated, fraudulent, or otherwise invalid activity (including queries, clicks, or conversions);

iii. use any automated means or data scraping or extraction to access or collect Actions on Google-related information except as expressly permitted by Google;

iv. knowingly provide inaccurate or outdated information, including for Licensed Content;

v. engage in deceptive, misleading, and/or unethical practices;

vi. make false or misleading representations with regards to Actions on Google;

vii. alter, interfere with, or otherwise tamper with customer reviews of Customer's services or the services of its competitors; or

viii. attempt to interfere with Actions on Google's proper functioning.

4. Customer Support/Termination.

a. As between Customer, Olo and Google, an End User's satisfaction with Customer is solely Customer's responsibility. Customer must immediately notify Olo if it no longer wants to be surfaced to End Users via Actions on Google and Olo will then remove Customer from Actions on Google and/or remove their information from the Licensed Content, so that it is no longer shown to Google end users and customers.

b. Google may contact Customer.

c. Upon termination of GRP, Google may continue to use the Licensed Content submitted through Google API(s), in accordance with its standard terms & conditions (which are available from Google).

5. Other Google Products.

a. If at any time, Customer uses other Google products or services, then a separate agreement will be required.

EXHIBIT H

LIST OF FRANCHISEES THAT CLOSED/TRANSFERRED FRANCHISED RESTAURANTS IN FISCAL YEAR 2026

LIST OF FRANCHISEES THAT CLOSED/TRANSFERRED FRANCHISED RESTAURANTS IN FISCAL YEAR 2026

The following is a list of the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of each franchisee that had a Franchised Restaurant terminated, canceled or not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement, including in connection with a transfer, during fiscal year 2026; or failed to communicate with CJR within 10 weeks of the application date 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, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Carl's Jr. franchise system. 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.

Transfers:

Transferor	City	State	Telephone Number
Palisades Restaurant Group Inc.	LOS ANGELES	CA	310-908-5792
Palisades Restaurant Group Inc.	SANTA FE SPRINGS	CA	310-908-5792
KB Restaurants, LLC	GRESHAM	OR	541-342-7620
KB Restaurants, LLC	MCMINNVILLE	OR	541-342-7620
KB Restaurants, LLC	PORTLAND	OR	541-342-7620

Terminations / Non-Renewals / Ceased Operations

Franchisee	City	State	Telephone Number
STARCORP CJ, LLC	Glendale	AZ	877-312-4287
STARCORP CJ, LLC	Tuscon	AZ	877-312-4287
CLK 1, LLC	Yuma	AZ	760-341-2992
OC BURGER BOYS, LLC	Anaheim	CA	805-672-2889
MICHAEL RAZIPOUR, MOREY MIRKAZEMI, GLORIA LOCSIN	Baker	CA	310-678-5172
ATJ&B LLC	Chino Hills	CA	805-672-2889
OC BURGER BOYS, LLC	Costa Mesa	CA	805-672-2889
OC BURGER BOYS, LLC	Cypress	CA	805-672-2889
BTO INVESTMENTS	Folsom	CA	702-734-2276
TWM/FRESNO, LLC	Fresno	CA	650-583-6491
TWM/FRESNO, LLC	Kerman	CA	650-583-6491
BURGER BUDDIES LLC	Long Beach	CA	805-672-2889
BARNES, ZURI AND ALMA	Los Angeles	CA	213-891-1063
MODESTO RESTAURANT GROUP, LLC	Modesto	CA	650-583-6491
NEW HORIZON FOODS, LLC	Montclair	CA	805-672-2889
JLN ENTERPRISES, L.P.	Napa	CA	208-345-6890
CLK 4, LLC	Needles	CA	760-341-2992
UNITED INVESTMENT SOLUTIONS, INC.	Newark	CA	510-646-3883
ATJ&B LLC	Ontario	CA	805-672-2889
JLN ENTERPRISES, L.P.	Redding	CA	208-345-6890
CZM Restaurants, Inc.	Rocklin	CA	916-380-9436
OC BURGER BOYS, LLC	Stanton	CA	805-672-2889
HARSHAD & NASIR CORPORATION	Temple City	CA	714-736-4743
HUNDAL FOODS, INC.	Vallejo	CA	925-455-4743
BY THE RIO, LLC	Aurora	CO	719-225-8080
BY THE RIO, LLC	Fort Collins	CO	719-225-8080
BY THE RIO, LLC	Loveland	CO	719-225-8080
RSMG HOLDING, LLC	Doral	FL	786-463-1984
GREENSTAR FOODS, LLC	Boise	ID	208-938-4057
SNOW STAR LP	Idaho Falls	ID	310-908-5792
BTO INVESTMENTS	Las Vegas	NV	702-734-2276
BTO INVESTMENTS	Las Vegas	NV	702-734-2276
BTO INVESTMENTS	Las Vegas	NV	702-734-2276
BTO INVESTMENTS	Las Vegas	NV	702-734-2276
BTO INVESTMENTS	North Las Vegas	NV	702-734-2276
WILES' RESTAURANTS, INC.	Albuquerque	NM	949-389-1970

Franchisee	City	State	Telephone Number
HORIZON AHM, LLC	Las Cruces	NM	951-818-6017
OK RESTAURANT HOLDINGS, LLC	Del City	OK	817-693-5151
OK RESTAURANT HOLDINGS, LLC	Durant	OK	817-693-5151
VISION AHM, LLC	El Paso	TX	951-818-6017
CW STRONG RENO AUSTIN, LLC	Georgetown	TX	760-471-2494
SNOW STAR LP	Herriman	UT	310-908-5792
SNOW STAR LP	Taylorsville	UT	310-908-5792
WAMTO, LLC	East Wenatchee	WA	805-672-2889
NORTHWEST FOODS, L.P.	Renton	WA	209-575-5600

EXHIBIT I

LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

CJR LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

(as of January 26, 2026)

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
J & D Restaurants, Inc.	N	1101440	(907) 336-3381	2242 ABBOTT ROAD	ANCHORAGE	AK	99507-4454
J & D Restaurants, Inc.	N	1101516	(907) 276-2275	650 W NORTHERN LIGHTS BLVD	ANCHORAGE	AK	99503-3804
J & D Restaurants, Inc.	N	1101532	(907) 622-4304	12319 OLD GLENN HWY	EAGLE RIVER	AK	99577-7555
J & D Restaurants, Inc.	N	1101461	(907) 376-4360	1741 E. PALMER WASILLA HWY	WASILLA	AK	99654-7221
Starcorp CJ, LLC	N	1101601	(480) 982-5815	2933 S TOMAHAWK RD	APACHE JUNCTION	AZ	85119-8577
Starcorp CJ, LLC	N	1101756	(623) 327-3667	416 S WATSON RD	BUCKEYE	AZ	85326
CLK 1, Inc.	N	1100794	(928) 763-9500	2195 HIGHWAY 95	BULLHEAD CITY	AZ	86442-6008
CLK 1, Inc.	N	1101442	(928) 754-1150	640 N. HWY 95	BULLHEAD CITY	AZ	86429-5006
Starcorp CJ, LLC	N	1101538	(520) 421-9790	1715 E FLORENCE BLVD	CASA GRANDE	AZ	85122-4763
Starcorp CJ, LLC	N	1101874	(928) 634-5338	2560 E RIO MESA TRL	COTTONWOOD	AZ	86326
Starcorp CJ, LLC	N	1101816	(520) 364-3691	105 E 5TH ST	DOUGLAS	AZ	85607-2860
Starcorp CJ, LLC	N	1100827	(520) 466-9385	3090 N TOLTEC RD	ELOY	AZ	85131-9602
Starcorp CJ, LLC	N	1101877	(928) 683-9973	826 W PIMA ST	GILA BEND	AZ	85337
Starcorp CJ, LLC	N	1101609	(480) 899-0644	85 E GERMANN RD	GILBERT	AZ	85297-0601
Starcorp CJ, LLC	N	1101537	(623) 915-7586	5775 W NORTHERN AVE	GLENDALE	AZ	85301-1334
Starcorp CJ, LLC	N	1102163	(480) 736-2461	6706 N 95TH AVE	GLENDALE	AZ	85305
Starcorp CJ, LLC	N	1102173	(623) 925-8237	1083 S COTTON LN	GOODYEAR	AZ	85338-4653
Starcorp CJ, LLC	N	1100829	(480) 838-4063	1519 W BASELINE RD	GUADALUPE	AZ	85283-1045

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Starcorp CJ, LLC	N	1102172	(928) 524-2252	1635 N NAVAJO BLVD	HOLBROOK	AZ	86025
Starcorp CJ, LLC	N	1100704	(928) 753-1989	789 W BEALE ST	KINGMAN	AZ	86401-5942
Starcorp CJ, LLC	N	1101997	(928) 681-1111	3440 STOCKTON HILL RD	KINGMAN	AZ	86409-3680
CLK 1, Inc.	N	1101045	(928) 680-7717	275 N LAKE HAVASU AVENUE	LAKE HAVASU CITY	AZ	86403-5659
CLK Desert Star, LP	N	1101787	(928) 764-1051	14875 S HWY 95	LAKE HAVASU CITY	AZ	86404-8116
Starcorp CJ, LLC	N	1101599	(602) 237-2980	5040 W BASELINE RD	LAVEEN	AZ	85339-7324
Starcorp CJ, LLC	N	1103100	(602) 743-3482	13025 W. Cambelback Rd.	Litchfield Park	AZ	85340
Starcorp CJ, LLC	N	1101507	(520) 744-0392	3790 W INA RD	MARANA	AZ	85741-2093
Valley Star AZ, LLC	N	1103089	(480) 426-3089	20015 N. JOHN WAYNE PARKWAY	MARICOPA	AZ	85139
Starcorp CJ, LLC	N	1101539	(480) 985-9260	4515 E MCKELLIPS RD	MESA	AZ	85215-2523
Starcorp CJ, LLC	N	1101482	(480) 835-1925	1850 S COUNTRY CLUB	MESA	AZ	85210-6012
Starcorp CJ, LLC	N	1100826	(480) 892-4793	1352 S GILBERT RD	MESA	AZ	85204-6004
Starcorp CJ, LLC	N	1101611	(480) 834-3381	2002 N COUNTRY CLUB DR	MESA	AZ	85201-1205
Starcorp CJ, LLC	N	1101728	(480) 962-1406	1015 N DOBSON RD	MESA	AZ	85201-7574
Leto Enterprises, LLC	N	1101501	(520) 281-9699	800 W MARIPOSA RD	NOGALES	AZ	85621-1079
LVP QSR 3 Development LLC	N	1103068	(928) 421-4416	19312 N. US Hwy 93	N. White Hills	AZ	86445
Starcorp CJ, LLC	N	1101453	(623) 877-2078	9360 W NORTHERN AVE	PEORIA	AZ	85345
Starcorp CJ, LLC	N	1101411	(623) 412-1053	12110 N 75TH AVE	PEORIA	AZ	85345-8204
Starcorp CJ, LLC	N	1101524	(623) 245-7015	7610 W THOMAS	PHOENIX	AZ	85033-5434
Starcorp CJ, LLC	N	1101717	(602) 249-8108	1753 W BETHANY HOME RD	PHOENIX	AZ	85015-2510

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Starcorp CJ, LLC	N	1101488	(480) 753-5733	4916 E CHANDLER BLVD	PHOENIX	AZ	85048-0859
Starcorp CJ, LLC	N	1100413	(602) 743-3482	3050 E. State Route 69	Prescott	AZ	86301
Starcorp CJ, LLC	N	1100839	(602) 269-3119	1202 N 51ST AVE	PHOENIX	AZ	85043-1732
Starcorp CJ, LLC	N	1101078	(602) 863-3129	3470 W BELL RD	PHOENIX	AZ	85053-2926
Starcorp CJ, LLC	N	1101087	(602) 482-9869	2343 E BELL RD	PHOENIX	AZ	85022-2901
Starcorp CJ, LLC	N	1101536	(623) 245-1041	4311 W CAMELBACK RD	PHOENIX	AZ	85031-1424
Starcorp CJ, LLC	N	1100836	(602) 955-6419	2342 E THOMAS RD	PHOENIX	AZ	85016-7828
Starcorp CJ, LLC	N	1101540	(623) 434-0081	2501 W HAPPY VALLEY RD STE 44	PHOENIX	AZ	85085-3702
Starcorp CJ, LLC	N	1101584	(602) 233-1385	2750 W THOMAS RD	PHOENIX	AZ	85017-5514
Starcorp CJ, LLC	N	1102049	(928) 778-7366	5785 E STATE ROUTE 69	PRESCOTT VALLEY	AZ	86314-2801
Starcorp CJ, LLC	N	1101608	(928) 927-5177	1451 W MAIN ST	QUARTZSITE	AZ	85346
Starcorp CJ, LLC	N	1102032	(480) 987-7713	21064 E OCOTILLO RD	QUEEN CREEK	AZ	85142
Starcorp CJ, LLC	N	1101875	(928) 428-3400	455 S 20TH AVE	SAFFORD	AZ	85546
Starcorp CJ, LLC	N	1101718	(520) 648-5500	18700 S NOGALES HWY	SAHUARITA	AZ	85614-5878
CLK Desert Star, LP	N	1101786	(928) 722-6767	1517 N MAIN ST	SAN LUIS	AZ	85349
Starcorp CJ, LLC	N	1100414	(480) 386-0187	5401 S. White Mountain Road	Show Low	AZ	85901
Valley Star AZ, LLC	N	1101508	(520) 458-1809	2080 E FRY BLVD	SIERRA VISTA	AZ	85635-2707
Starcorp CJ, LLC	N	1101968	(602) 546-7177	13335 W GRAND AVE	SURPRISE	AZ	85374
Valley Star AZ, LLC	N	1100907	(602) 603-0618	13290 N. PRASADA PKWY	SURPRISE	AZ	85388
Starcorp CJ, LLC	N	1102269	(480) 966-0554	1210 N SCOTTSDALE RD	TEMPE	AZ	85281

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
FrancieCo., L.P.	N	1102423	(623) 936-1037	8313 W ROOSEVELT ST	TOLLESON	AZ	85353
Leto Enterprises, LLC	N	1101505	(520) 888-4032	3707 N ORACLE RD	TUCSON	AZ	85705-3263
Leto Enterprises, LLC	N	1101498	(520) 294-4310	1691 W VALENCIA RD	TUCSON	AZ	85746-6029
Starcorp CJ, LLC	N	1101497	(520) 295-3536	3289 E VALENCIA RD	TUCSON	AZ	85706-5952
Starcorp CJ, LLC	N	1101499	(520) 886-4354	7805 E BROADWAY	TUCSON	AZ	85710-3943
Starcorp CJ, LLC	N	1101500	(520) 624-3302	1880 E BROADWAY BLVD	TUCSON	AZ	85719-5933
Starcorp CJ, LLC	N	1101504	(520) 889-1347	1070 E AJO WAY	TUCSON	AZ	85713-5051
Starcorp CJ, LLC	N	1101506	(520) 622-0210	615 W CONGRESS ST	TUCSON	AZ	85745-2823
Valley Star AZ, LLC	N	1101581	(520) 663-1020	8120 S HOUGHTON RD	TUCSON	AZ	85747-9751
Starcorp CJ, LLC	N	1102291	(520) 384-6154	728 N BISBEE AVE	WILLCOX	AZ	85643
Starcorp CJ, LLC	N	1102297	(928) 635-8873	1055 N GRAND CANYON BLVD	WILLIAMS	AZ	86046
Starcorp CJ, LLC	N	1102412	(928) 289-2031	704 MIKE'S PEAK BOULEVARD	WINSLOW	AZ	86047
CLK 1, Inc.	N	1102782	(928) 276-3526	11274 S FORTUNA RD	YUMA	AZ	85367
CLK 1, Inc.	N	1101353	(928) 329-1711	1020 E. 16TH STREET	YUMA	AZ	85365-2018
CLK Desert Star, LP	N	1101837	7603412992	MCAS YUMA BUILDING 965 - Military base	YUMA	AZ	85365
Akash Restaurants, LLC	N	1100039	(760) 246-4559	14292 US HIGHWAY 395	ADELANTO	CA	92301-6701
TWM Industries, LP	Y	1100824	(510) 523-1464	871 MARINA VILLAGE PARKWAY	ALAMEDA	CA	94501-1035
DFG Restaurants, Inc.	N	1100359	(626) 457-1133	2521 W COMMONWEALTH AVE	ALHAMBRA	CA	91803-1308
Wiles' Restaurants, Inc.	N	1100884	(949) 362-9689	23002 ALISO CREEK RD	ALISO VIEJO	CA	92656-1540

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
SDC Restaurants LLC	N	1100629	(619) 659-0201	1263 TAVERN RD	ALPINE	CA	91901-3819
ATJ&B LLC	Y	1100236	(909) 987-6186	9756 19TH ST	ALTA LOMA	CA	91737-3538
OC Burger Boys, LLC	Y	1100450	(714) 385-1504	2025 E KATELLA AVE	ANAHEIM	CA	92806-6067
OC Burger Boys, LLC	Y	1100001	(714) 635-1480	275 S HARBOR BLVD	ANAHEIM	CA	92805-3711
OC Burger Boys, LLC	Y	1100047	(714) 630-2874	2820 E LINCOLN	ANAHEIM	CA	92806-4040
OC Burger Boys, LLC	Y	1100124	(714) 533-3310	1189 SO STATE COLLEGE BLVD	ANAHEIM	CA	92806-5140
Bernard Karcher Investments, Inc.	N	1100809	(714) 637-1014	8225 SANTA ANA CANYON RD	ANAHEIM	CA	92808-2270
Akash Restaurants, LLC	Y	1100165	(760) 240-4169	12271 APPLE VALLEY RD	APPLE VALLEY	CA	92308-1701
CLK 2 D-S, LP	N	1100218	(760) 961-0915	20302 US HIGHWAY 18	APPLE VALLEY	CA	92307-2923
Senior Classic Leasing, LLC	N	1100072	(626) 447-4840	165 E DUARTE RD	ARCADIA	CA	91006-3935
JLN Enterprises, L.P.	N	1101139	(707) 822-9058	4900 VALLEY WEST BLVD	ARCATA	CA	95521-8301
Central Coast Star, LLC	N	1100368	(805) 481-7052	1590 W. BRANCH STREET	ARROYO GRANDE	CA	93420-1819
Palisades Restaurant Group Inc.	N	1100480	(661) 858-1162	5631 LAVAL RD	ARVIN	CA	93203
Central Coast Star, LLC	N	1100569	(805) 462-8092	7085 EL CAMINO REAL	ATASCADERO	CA	93422-4523
The Chowchilla Connection, LLC	Y	1101712	(209) 358-2567	1600 BELL LN	ATWATER	CA	95301-9696
Zealous Business Group, Inc.	N	1100815	(530) 823-8802	2300 GRASS VALLEY HIGHWAY	AUBURN	CA	95603-2554
Senior Classic Leasing, LLC	N	1100598	(626) 334-5340	1190 WEST FOOTHILL BLVD	AZUSA	CA	91702-2818
CJB Restaurants, LLC	Y	1100224	(661) 665-2396	9000 MING AVE STE Q	BAKERSFIELD	CA	93311-1325
CJB Restaurants, LLC	Y	1100295	(661) 871-5152	3901 AUBURN AVENUE	BAKERSFIELD	CA	93306-2201
CJB Restaurants, LLC	Y	1100298	(661) 587-4859	9500 BRIMHALL RD STE A	BAKERSFIELD	CA	93312-2232

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
CJB Restaurants, LLC	Y	1100302	(661) 587-9085	4520 COFFEE ROAD	BAKERSFIELD	CA	93308-5025
CJB Restaurants, LLC	Y	1100471	(661) 665-1709	5555 GOSFORD RD	BAKERSFIELD	CA	93309
CJB Restaurants, LLC	Y	1100503	(661) 323-2641	3520 ROSEDALE HIGHWAY	BAKERSFIELD	CA	93308-6229
CJB Restaurants, LLC	Y	1100611	(661) 836-3181	2400 WHITE LANE	BAKERSFIELD	CA	93304-6919
CJB Restaurants, LLC	N	1100187	(661) 323-0296	815 REAL ROAD	BAKERSFIELD	CA	93309-1001
CJB Restaurants, LLC	N	1100217	(661) 834-8646	2412 MING AVE	BAKERSFIELD	CA	93304-4536
CJB Restaurants, LLC	N	1100276	(661) 322-2851	2930 F STREET	BAKERSFIELD	CA	93301-1820
CJB Restaurants, LLC	N	1100339	(661) 833-8414	3501 PANAMA LN	BAKERSFIELD	CA	93313-3586
CJB Restaurants, LLC	N	1100419	(661) 398-9510	4800 WHITE LANE	BAKERSFIELD	CA	93309-6371
CJB Restaurants, LLC	N	1100697	(661) 863-0273	101 S UNION AVE	BAKERSFIELD	CA	93307-3392
Senior Classic Leasing, LLC	N	1100062	(626) 962-2911	14080 FRANCISQUITO	BALDWIN PARK	CA	91706-5906
Murphy's Star, Inc.	N	1100152	(951) 849-5541	1888 W RAMSEY	BANNING	CA	92220-4270
Murphy's Star, Inc.	N	1100605	(951) 769-1378	300 S HIGHLAND SPRINGS AVE BLDG 4	BANNING	CA	92220-6505
Akash Restaurants, LLC	Y	1100240	(760) 256-8117	1530 E MAIN STREET	BARSTOW	CA	92311-3230
Akash Restaurants, LLC	Y	1100636	(760) 253-4846	2856 LENWOOD ROAD	BARSTOW	CA	92311-9589
CLK 2, LLC	N	1100811	(760) 345-5677	40050 WASHINGTON	BERMUDA DUNES	CA	92203-9201
CLK 5, Inc.	N	1101022	(909) 866-9672	PO BOX 1742 (41717 BIG BEAR BL)	BIG BEAR LAKE	CA	92315-1742
Wiles' Restaurants, Inc.	N	1100805	(760) 873-4090	768 N MAIN ST	BISHOP	CA	93514-2428
West Coast Petroleum, Inc.	Y	1101412	(951) 824-5199	3610 S RIVERSIDE AVE	BLOOMINGTON	CA	92316-3535
CLK 2, LLC	N	1100769	(760) 922-3500	160 S LOVEKIN	BLYTHE	CA	92225-2505

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
FrancieCo., L.P.	N	1102623	(661) 385-6020	27201 BORON FRONTAGE ROAD N	BORON	CA	93516
CLK 5, Inc.	N	1100772	(760) 344-6363	115 MAIN ST	BRAWLEY	CA	92227-2348
Brentwood Star, LLC	N	1101568	(925) 308-7010	6291 LONE TREE WAY	BRENTWOOD	CA	94513-5255
Central Coast Star, LLC	N	1100211	(805) 693-1125	208 E. HIGHWAY 246	BUELLTON	CA	93427-9654
OC Burger Boys, LLC	Y	1100357	(714) 827-7210	8991 KNOTT AVE	BUENA PARK	CA	90620-4136
OC Burger Boys, LLC	Y	1100500	(714) 521-1865	8361 LA PALMA	BUENA PARK	CA	90620-3207
OC Burger Boys, LLC	N	1100034	(714) 523-7240	6002 BEACH BLVD	BUENA PARK	CA	90621-2301
Sun Gir Incorporated	N	1100172	(818) 845-3396	1320 N. SAN FERNANDO ROAD	BURBANK	CA	91504-4235
CLK 2, LLC	N	1101349	(760) 357-3717	221 W BIRCH ST	CALEXICO	CA	92231-2348
CLK 3 D-S, LP	N	1100527	(909) 446-0522	1164 CALIMESA BLVD	CALIMESA	CA	92320-1509
BTO Investments	N	1101060	(530) 677-7539	4065 CAMERON PARK DR	CAMERON PARK	CA	95682-8409
Senior Classic Leasing, LLC	N	1100262	(818) 709-0689	20105 SATICOY	CANOGA PARK	CA	91306-2506
Senior Classic Leasing, LLC	N	1100508	(818) 716-0599	21201 SHERMAN WAY	CANOGA PARK	CA	91303-1513
Senior Classic Leasing, LLC	N	1100509	(818) 700-8584	20900 ROSCOE BLVD	CANOGA PARK	CA	91304-4308
Burger Buddies LLC	N	1100160	(661) 252-4114	18950 SOLEDAD CANYON RD	CANYON COUNTRY	CA	91351-3360
SDC Restaurants LLC	N	1100252	(760) 729-5584	2608 EL CAMINO REAL	CARLSBAD	CA	92008-1214
SDC Restaurants LLC	N	1100330	(760) 438-1132	925 PALOMAR AIRPORT RD	CARLSBAD	CA	92011-1110
SDC Restaurants LLC	N	1100117	(760) 729-7258	950 CARLSBAD VILLAGE DR	CARLSBAD	CA	92008-1801
AMS Restaurants, LLC	N	1100562	(916) 348-7735	5935 MADISON AVENUE	CARMICHAEL	CA	95608-0519
Central Coast Star, LLC	N	1100688	(805) 684-4079	4610 CARPINTERIA AVE	CARPINTERIA	CA	93013-1814

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OC Burger Boys, LLC	Y	1100362	(310) 323-6855	17450 AVALON BLVD	CARSON	CA	90746-1560
OC Burger Boys, LLC	Y	1100625	(310) 763-2744	1881 E DEL AMO BLVD	CARSON	CA	90746-2939
Palisades Restaurant Group Inc.	N	1100347	(310) 549-8632	21703 S AVALON BLVD	CARSON	CA	90745-3302
Palisades Restaurant Group Inc.	N	1100608	(661) 257-3747	31412 RIDGE ROUTE	CASTAIC	CA	91384-3300
CLK 3, LLC	N	1100873	(760) 328-9875	32-250 DATE PALM DR	CATHEDRAL CITY	CA	92234-4309
Modesto Restaurant Group, LLC	N	1100776	(209) 537-2277	2420 MITCHELL RD	CERES	CA	95307-2837
Senior Classic Leasing, LLC	N	1100254	(818) 998-0188	9861 DESOTO AVE	CHATSWORTH	CA	91311-4412
JLN Enterprises, L.P.	N	1100890	(530) 893-2908	2516 ESPLANADE	CHICO	CA	95926-1111
JLN Enterprises, L.P.	N	1100891	(530) 345-9643	1940 EAST 20TH ST	CHICO	CA	95928-6342
Akash Restaurants, LLC	Y	1100109	(909) 628-2787	12005 CENTRAL AVE	CHINO	CA	91710-1908
ATJ&B LLC	Y	1100646	(909) 591-5393	3880 GRAND AVE	CHINO	CA	91710-5419
ATJ&B LLC	Y	1100458	(909) 364-8013	7069 SCHAEFER AVE	CHINO	CA	91710-9110
The Chowchilla Connection, LLC	Y	1101183	(559) 665-7136	125 S CHOWCHILLA BLVD	CHOWCHILLA	CA	93610-9301
SDC Restaurants LLC	N	1100083	(619) 426-6786	996 THIRD AVE	CHULA VISTA	CA	91911-2003
SDC Restaurants LLC	N	1100281	(619) 421-9257	2097 OLYMPIC PKWY	CHULA VISTA	CA	91915-1356
SDC Restaurants LLC	N	1100409	(619) 476-4420	695 H ST	CHULA VISTA	CA	91910
SDC Restaurants LLC	N	1100546	(619) 426-1609	1100 BROADWAY	CHULA VISTA	CA	91911-2707
SDC Restaurants LLC	N	1100575	(619) 482-2210	1487 E H ST	CHULA VISTA	CA	91910-6823
AMS Restaurants, LLC	N	1100243	(916) 726-0800	7570 SUNRISE BLVD	CITRUS HEIGHTS	CA	95610-3001
AMS Restaurants, LLC	N	1100286	(916) 722-1295	7400 GREENBACK LANE	CITRUS HEIGHTS	CA	95610-5604

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
AMS Restaurants, LLC	N	1101055	(916) 725-2521	6400 ANTELOPE ROAD	CITRUS HEIGHTS	CA	95621-1045
Palisades Restaurant Group Inc.	N	1100337	(323) 725-1386	5501 TELEGRAPH RD	CITY OF COMMERCE	CA	90040-1511
DFG Restaurants, Inc.	N	1100526	(562) 695-2510	13151 CROSSROADS PKWY S	CITY OF INDUSTRY	CA	91746-3422
Senior Classic Leasing, LLC	N	1100216	(626) 330-7118	210 S HACIENDA BLVD	CITY OF INDUSTRY	CA	91745-1103
Senior Classic Leasing, LLC	N	1100479	(909) 595-6954	19782 EAST WALNUT NORTH	CITY OF INDUSTRY	CA	91789-2831
TWM Industries, LP	N	1101018	(925) 672-9324	1530 KIRKER PASS ROAD	CLAYTON	CA	94517-1072
Third Star Investments, LLC	N	1101747	(707) 995-1809	15895 DAM ROAD EXT	CLEARLAKE	CA	95422-9359
TWM/FRESNO, LLC	Y	1100467	(559) 298-7200	1930 CLOVIS AVE	CLOVIS	CA	93612-2712
TWM/FRESNO, LLC	Y	1100631	(559) 348-0446	818 W. SHAW AVENUE	CLOVIS	CA	93612-3201
TWM/FRESNO, LLC	N	1100150	(559) 325-1368	1125 HERNDON AVE	CLOVIS	CA	93612-0409
CLK 3, LLC	N	1100895	(760) 398-6636	50-087 HARRISON ST	COACHELLA	CA	92236-1474
CLK 3, LLC	N	1101366	(760) 863-5862	45761 DILLON RD STE B	COACHELLA	CA	92236-2001
Central California Connection, LLC	N	1100647	(559) 935-2980	25167 W DORRIS AVE	COALINGA	CA	93210-9723
DMF Star, Inc.	N	1100369	(909) 824-8003	1180 S MOUNT VERNON AVE	COLTON	CA	92324-4220
3 Brothers Plaza, LLC	N	1101216	(707) 349-1418	844 BRIDGE STREET	COLUSA	CA	95932
Burger Buddies LLC	N	1100049	(310) 632-6359	1400 E ROSECRANS AVE	COMPTON	CA	90221-2204
Palisades Restaurant Group Inc.	N	1100370	(310) 632-5103	1931 W ARTESIA BLVD	COMPTON	CA	90220-5309
B & J, LLC	N	1101334	(951) 738-0809	230 W FOOTHILL PKWY	CORONA	CA	92882-8540
B & J, LLC	N	1100700	(951) 734-2880	1865 W 6TH	CORONA	CA	92882-2957
Bernard Karcher Investments, Inc.	N	1100810	(951) 279-7072	2199 SAMPSON AVE	CORONA	CA	92879-6011

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Bernard Karcher Investments, Inc.	N	1100893	(951) 277-2619	23740 TEMESCAL CANYON RD	CORONA	CA	92883-7667
Senior Classic Leasing, LLC	N	1100374	(626) 331-2064	573 N AZUSA AVE	COVINA	CA	91722-3502
TWM Industries, LP	Y	1101161	(650) 994-9009	2434 JUNIPERO SERRA BLVD	DALY CITY	CA	94015-1632
Wiles' Restaurants, Inc.	N	1100703	(949) 661-3955	34312 PACIFIC COAST HWY	DANA POINT	CA	92629-2911
AMS Restaurants, LLC	N	1100438	(530) 756-1626	1701 COWELL BLVD	DAVIS	CA	95681-6385
KRP Star, LP	N	1102029	(661) 721-2106	612 CECIL AVE	DELANO	CA	93215
CLK 2, LLC	N	1100730	(760) 329-0120	13010 PALM DR	DESERT HOT SPRINGS	CA	92240-5947
Senior Classic Leasing, LLC	N	1100135	(909) 861-7136	141 S DIAMOND BAR BLVD	DIAMOND BAR	CA	91765-1604
Central California Connection, LLC	Y	1100293	(559) 595-9137	904 W EL MONTE WAY	DINUBA	CA	93618-9170
STRZ4US, Inc.	N	1100323	(707) 678-1372	125 GATEWAY PLZ	DIXON	CA	95620-9214
Burger Buddies LLC	N	1100018	(562) 927-0129	7200 FIRESTONE BLVD	DOWNEY	CA	90241-4107
OC Burger Boys, LLC	N	1100191	(562) 923-7446	9110 IMPERIAL HIGHWAY	DOWNEY	CA	90242-2809
Senior Classic Leasing, LLC	N	1100407	(626) 303-6319	1302 HUNTINGTON DRIVE	DUARTE	CA	91010-2526
SDC Restaurants LLC	N	1100483	(619) 579-7083	520 N SECOND STREET	EL CAJON	CA	92021-6448
SDC Restaurants LLC	N	1100089	(619) 447-5452	624 FLETCHER PKWY	EL CAJON	CA	92020-2515
CLK 4, LLC	N	1100786	(760) 353-5633	1498 ADAMS AVE	EL CENTRO	CA	92243-2010
AMS Restaurants, LLC	Y	1100223	(916) 681-4038	8401 ELK GROVE FLORIN RD	ELK GROVE	CA	95624-9518
AMS Restaurants, LLC	Y	1100699	(916) 714-5660	2609 W TARON CT	ELK GROVE	CA	95757-8401
AMS Restaurants, LLC	N	1100059	(916) 681-8923	8140 SHELDON RD	ELK GROVE	CA	95758-5963
AMS Restaurants, LLC	N	1100557	(916) 685-1642	8722 ELK GROVE BLVD	ELK GROVE	CA	95624-1737

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
AMS Restaurants, LLC	N	1100567	(916) 714-2476	9664 BRUCEVILLE RD	ELK GROVE	CA	95757-5950
Senior Classic Leasing, LLC	N	1100292	(626) 350-1642	3832 PECK ROAD	EL MONTE	CA	91732-2241
OC Burger Boys, LLC	Y	1100272	(310) 322-1318	639 N. SEPULVEDA BLVD.	EL SEGUNDO	CA	90245-3423
SDC Restaurants LLC	N	1100181	(760) 436-8660	1137 REGAL RD	ENCINITAS	CA	92024-4639
SDC Restaurants LLC	N	1100192	(760) 741-3129	435 W 13TH AVE	ESCONDIDO	CA	92025-5709
SDC Restaurants LLC	N	1100247	(760) 747-6116	1280 EAST VALLEY PARKWAY	ESCONDIDO	CA	92027-2310
SDC Restaurants LLC	N	1100577	(760) 743-7571	1288 AUTO PARK WAY	ESCONDIDO	CA	92029-2232
JLN Enterprises, L.P.	N	1101138	(707) 442-1690	3160 SO BROADWAY	EUREKA	CA	95501-3806
STRZ4US, Inc.	N	1100249	(707) 425-6993	2380 N TEXAS ST	FAIRFIELD	CA	94533-2140
SDC Restaurants LLC	N	1100886	(760) 723-3530	1137 SO. MISSION ROAD	FALLBROOK	CA	92028-3222
Burger Buddies LLC	Y	1100356	(805) 524-3988	754 W VENTURA ST	FILLMORE	CA	93015-1835
BTO Investments	N	1101059	(916) 988-9011	9500 GREENBACK LN #54	FOLSOM	CA	95630-2091
Akash Restaurants, LLC	Y	1100226	(909) 428-2704	16565 SIERRA LAKES PKWY	FONTANA	CA	92336-1256
Akash Restaurants, LLC	N	1103083	(909) 973-2728	14725 E. FOOTHILLS BLVD.	FONTANA	CA	92335
TWM Industries, LP	Y	1100705	(650) 349-1221	1140 TRITON DRIVE	FOSTER CITY	CA	94404-1218
OC Burger Boys, LLC	Y	1100549	(714) 839-8506	16101 HARBOR BLVD	FOUNTAIN VALLEY	CA	92708
OC Burger Boys, LLC	N	1100036	(714) 965-0293	17085 BROOKHURST ST	FOUNTAIN VALLEY	CA	92708-3601
Central California Connection, LLC	Y	1100591	(559) 834-2486	326 E MERCED ST	FOWLER	CA	93625-2517
Tri Star Foods, LLC	Y	1101028	(831) 722-6920	1901 FREEDOM BLVD	FREEDOM	CA	95019-2819
Vikas Tandon (dba UIS East Bay, Inc.)	N	1101061	(510) 493-2359	37000 FREMONT	FREMONT	CA	94536-3604

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Vikas Tandon (dba United Investment Solutions, Inc.)	N	1101063	(510) 656-7642	46637 MISSION BLVD	FREMONT	CA	94539-7994
TWM/FRESNO, LLC	Y	1100259	(559) 275-6526	5275 W SHAW AVE	FRESNO	CA	93722-5031
TWM/FRESNO, LLC	Y	1100266	(559) 485-1705	1588 N FIRST STREET	FRESNO	CA	93703-4023
TWM/FRESNO, LLC	Y	1100306	(559) 432-1477	6767 N FIRST STREET	FRESNO	CA	93710-3934
TWM/FRESNO, LLC	Y	1100437	(559) 225-0288	3820 N CEDAR AVE	FRESNO	CA	93726-5263
TWM/FRESNO, LLC	Y	1100520	(559) 237-8113	2590 SOUTH EAST AVENUE	FRESNO	CA	93706-5103
TWM/FRESNO, LLC	Y	1100583	(559) 454-8379	5625 E. KINGS CANYON ROAD	FRESNO	CA	93727-4641
TWM/FRESNO, LLC	Y	1101425	(559) 324-8740	8873 N CHESTNUT AVE	FRESNO	CA	93720-5367
TWM/FRESNO, LLC	N	1100196	(559) 225-2428	3983 N BLACKSTONE	FRESNO	CA	93726-3804
TWM/FRESNO, LLC	N	1100257	(559) 268-0069	217 N ABBY	FRESNO	CA	93701-1904
TWM/FRESNO, LLC	N	1100563	(559) 276-0196	3092 WEST SHAW AVENUE	FRESNO	CA	93711-3217
TWM/FRESNO, LLC	N	1100657	(559) 221-8990	1052 E SHAW	FRESNO	CA	93710-7807
TWM/FRESNO, LLC	N	1100664	(559) 261-2760	7646 N BLACKSTONE AVE	FRESNO	CA	93720-4300
TWM/FRESNO, LLC	N	1101462	(550) 276-3754	6003 N FIGARDEN DR	FRESNO	CA	93722-3226
TWM/FRESNO, LLC	N	1102741	(559) 275-1024	3015 WEST CLINTON AVE.	FRESNO	CA	55927
ATJ&B LLC	Y	1100056	(714) 528-5910	3240 YORBA LINDA BLVD	FULLERTON	CA	92831-1707
OC Burger Boys, LLC	Y	1100573	(714) 441-0701	4010 N HARBOR BLVD	FULLERTON	CA	92835-1037
OC Burger Boys, LLC	Y	1100635	(714) 256-1154	1070 EAST BASTANCHURY ROAD	FULLERTON	CA	92835-2790
OC Burger Boys, LLC	Y	1100344	(714) 870-7432	222 N EUCLID	FULLERTON	CA	92832-1621

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
CSU Fullerton Auxiliary Services Corporation	N	1100816	(657) 278-3880	800 N STATE COLLEGE BLVD	FULLERTON	CA	92831-3547
Womar, Incorporated	Y	1100624	(209) 745-6843	1065 C STREET	GALT	CA	95632-1700
OC Burger Boys, LLC	Y	1100005	(714) 534-1412	10012 WESTMINSTER AVE	GARDEN GROVE	CA	92843-4721
OC Burger Boys, LLC	Y	1100604	(714) 891-2773	6022 CHAPMAN AVE	GARDEN GROVE	CA	92845-1736
OC Burger Boys, LLC	Y	1100444	(714) 636-8456	9917 CHAPMAN AVE	GARDEN GROVE	CA	92841-2712
Tri Star Foods, LLC	N	1101393	(408) 848-5295	5880 MONTEREY RD	GILROY	CA	95020-8032
Sun Gir Incorporated	N	1100258	(818) 243-4084	1124 W GLENOAKS BLVD	GLENDALE	CA	91202-2606
Senior Classic Leasing, LLC	N	1100085	(626) 963-4010	810 S GRAND	GLENDORA	CA	91740-4806
Central Coast Star, LLC	N	1100427	(805) 681-0584	5820 CALLE REAL	GOLETA	CA	93117-2314
Palisades Restaurant Group Inc.	N	1100660	(661) 248-6738	49669 GORMAN POST RD	GORMAN	CA	93243
Central California Connection, LLC	N	1103061	(559) 372-0776	6670 Betty Drive B	Goshen	CA	93291
Senior Classic Leasing, LLC	N	1100153	(818) 368-5177	16815 DEVONSHIRE ST	GRANADA HILLS	CA	91344-7405
Senior Classic Leasing, LLC	N	1100303	(818) 360-6125	18090 W CHATSWORTH ST	GRANADA HILLS	CA	91344-5607
AMS Restaurants, LLC	N	1100333	(916) 797-2775	8477 SIERRA COLLEGE BLVD	GRANITE BAY	CA	95746
CZM Restaurants, Inc.	N	1100889	(530) 477-5649	729 TAYLORVILLE RD	GRASS VALLEY	CA	95949-7713
DMF Restaurants LLC	N	1102607	(831) 674-5818	369 WALNUT AVE	GREENFIELD	CA	93927
Central California Connection, LLC	Y	1100227	(559) 583-6124	840 WEST LACEY BLVD	HANFORD	CA	93230-4382
Palisades Restaurant Group Inc.	N	1100634	(310) 549-0969	840 SEPULVEDA BLVD	HARBOR CITY	CA	90710-1605
OC Burger Boys, LLC	Y	1100144	(310) 675-2129	14208 HAWTHORNE BLVD	HAWTHORNE	CA	90250-7008
OC Burger Boys, LLC	N	1100599	(310) 643-6330	5315 ROSECRANS	HAWTHORNE	CA	90250-6622

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Star By the Bay, Inc.	N	1101081	(510) 317-0328	20550 MISSION BLVD	HAYWARD	CA	94541-1815
Star By the Bay, Inc.	N	1101080	(510) 786-3440	27467 HESPERIAN BLVD	HAYWARD	CA	94545-4258
Third Star Investments, LLC	N	1100863	(707) 431-8762	1037 VINE ST	HEALDSBURG	CA	95448-4829
CLK 2 D-S, LP	N	1100290	(951) 927-9978	43350 FLORIDA AVE	HEMET	CA	92544-5220
CLK 2 D-S, LP	N	1100358	(951) 929-2347	510 N SAN JACINTO ST	HEMET	CA	92543-3106
CLK 2 D-S, LP	N	1100386	(760) 956-5652	15669 MAIN ST	HESPERIA	CA	92345-3480
CLK 3 D-S, LP	N	1100561	(760) 949-0128	14717 BEAR VALLEY RD	HESPERIA	CA	92345-1608
CLK 3, LLC	N	1100623	(909) 864-0894	7261 BOULDER AVE	HIGHLAND	CA	92346-3389
OC Burger Boys, LLC	Y	1100352	(714) 374-8505	19125 GOLDENWEST ST	HUNTINGTON BEACH	CA	92648-2152
OC Burger Boys, LLC	Y	1100465	(714) 848-1206	8271 WARNER AVE	HUNTINGTON BEACH	CA	92647-6040
OC Burger Boys, LLC	Y	1100088	(714) 968-7374	19512 BEACH BLVD	HUNTINGTON BEACH	CA	92648-2903
OC Burger Boys, LLC	Y	1100130	(714) 846-2422	16031 BOLSA CHICA	HUNTINGTON BEACH	CA	92649-2406
OC Burger Boys, LLC	N	1100125	(714) 968-1934	9022 ADAMS	HUNTINGTON BEACH	CA	92646-3402
OC Burger Boys, LLC	N	1100067	(714) 842-7666	6882 WARNER	HUNTINGTON BEACH	CA	92647-5304
Palisades Restaurant Group Inc.	N	1100558	(323) 588-4718	2401 E FLORENCE AVENUE	HUNTINGTON PARK	CA	90255-5726
SDC Restaurants LLC	N	1100585	(619) 423-5025	700 13TH STREET	IMPERIAL BEACH	CA	91932-2308
CLK 5, Inc.	N	1100727	(760) 347-4479	81770 US HIGHWAY 111	INDIO	CA	92201-5432
CLK Desert Star, LP	N	1102378	(760) 347-6149	42225 JACKSON ST	INDIO	CA	92203
OC Burger Boys, LLC	Y	1100532	(310) 672-2742	3300 W CENTURY BLVD	INGLEWOOD	CA	90303-1305
OC Burger Boys, LLC	Y	1100221	(949) 727-1491	55 TECHNOLOGY WEST	IRVINE	CA	92618-2346

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OC Burger Boys, LLC	Y	1100296	(949) 559-0882	4960 BARRANCA PARKWAY	IRVINE	CA	92604-4629
OC Burger Boys, LLC	Y	1100694	(949) 451-1679	6324 IRVINE BLVD	IRVINE	CA	92620-2102
OC Burger Boys, LLC	Y	1100310	(714) 832-6357	4770 IRVINE BLVD	IRVINE	CA	92620-1909
OC Burger Boys, LLC	N	1100103	(949) 250-0210	17971 MACARTHUR BLVD	IRVINE	CA	92614-6505
Sonora Star, Inc.	N	1102437	(209) 257-1938	11230 PROSPECT DR	JACKSON	CA	95642
OC Burger Boys, LLC	N	1100096	(949) 786-0612	18032 CULVER DR	IRVINE	CA	92612-2701
Central California Connection, LLC	N	1100193	(559) 386-5355	33300 HUBERT WAY	KETTLEMAN CITY	CA	93239
DMF Restaurants LLC	N	1101073	(831) 385-5138	570 CANAL STREET	KING CITY	CA	93930-3446
Central California Connection, LLC	Y	1100237	(559) 897-8719	949 SIERRA STREET	KINGSBURG	CA	93631-1512
OC Burger Boys, LLC	Y	1100169	(949) 768-8001	23002 LAKE FOREST DR	LAGUNA HILLS	CA	92653-1319
ATJ&B LLC	Y	1100074	(562) 694-2808	701 S BEACH BLVD	LA HABRA	CA	90631-6415
Bernard Karcher Investments, Inc.	N	1100762	(951) 674-0580	251 DIAMOND DR	LAKE ELSINORE	CA	92530-4466
OC Burger Boys, LLC	Y	1100622	(949) 830-8929	20552 LAKE FOREST DRIVE	LAKE FOREST	CA	92630-7740
OC Burger Boys, LLC	Y	1100119	(562) 422-1463	2710 DEL AMO	LAKEWOOD	CA	90712-2902
Palisades Restaurant Group Inc.	N	1100498	(562) 867-6369	5601 WOODRUFF AVE	LAKEWOOD	CA	90713-1129
SDC Restaurants LLC	N	1100284	(619) 698-2920	8110 PARKWAY DR	LA MESA	CA	91942-2409
ATJ&B LLC	N	1100024	(714) 523-3373	15226 E ROSECRANS	LA MIRADA	CA	90638-4735
RWZ Restaurants, LLC	Y	1100029	(661) 948-3165	852 W AVENUE L	LANCASTER	CA	93534-7159
RWZ Restaurants, LLC	Y	1100064	(661) 948-6314	44361 N SIERRA HWY	LANCASTER	CA	93534-4309
RWZ Restaurants, LLC	Y	1100128	(661) 948-6188	1511 W AVENUE K	LANCASTER	CA	93534-5927

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
RWZ Restaurants, LLC	Y	1100586	(661) 940-8418	44400 VALLEY CENTRAL WAY	LANCASTER	CA	93536-6528
RWZ Restaurants, LLC	N	1102951	(661) 726-1405	2114 E. Avenue J	Lancaster	CA	93535
OC Burger Boys, LLC	Y	1100050	(562) 924-0988	5012 W LA PALMA	LA PALMA	CA	90623-1624
CLK 5, Inc.	N	1101082	(760) 771-1330	78672 HIGHWAY 111	LA QUINTA	CA	92253-2048
Modesto Restaurant Group, LLC	N	1100645	(209) 858-4894	200 E LOUISE AVE	LATHROP	CA	95330-9093
Senior Classic Leasing, LLC	N	1100271	(909) 596-2814	1400 FOOTHILL BLVD	LA VERNE	CA	91750-3450
SDC Restaurants LLC	N	1101043	(619) 464-0474	7162 BROADWAY	LEMON GROVE	CA	91945-1401
AMS Restaurants, LLC	Y	1100353	(916) 253-3451	101 FERRARI RANCH RD	LINCOLN	CA	95648-7413
Hundal Foods, Inc.	N	1101075	(925) 443-1565	875 E. STANLEY BLVD	LIVERMORE	CA	94550-4008
Hundal Foods, Inc.	N	1101729	(925) 449-1876	2860 KITTY HAWK RD	LIVERMORE	CA	94551-7666
The Chowchilla Connection, LLC	N	1101553	(209) 394-7682	443 JOSEPH GALLO CT	LIVINGSTON	CA	95334-9204
AMS Restaurants, LLC	Y	1100308	(209) 366-2206	6301 W BANNER RD	LODI	CA	95242-9191
Womar, Incorporated	N	1100319	(209) 333-1288	820 W. KETTLEMAN LANE	LODI	CA	95240-6052
DMF Star, Inc.	N	1100206	(909) 478-9834	25536 BARTON RD	LOMA LINDA	CA	92354-3109
Burger Buddies LLC	Y	1100395	(310) 326-3036	1752 PACIFIC COAST HIGHWAY	LOMITA	CA	90717-2720
Central Coast Star, LLC	Y	1100326	(805) 735-1016	625 N H ST	LOMPOC	CA	93436-4518
Wiles' Restaurants, Inc.	N	1101108	(760) 876-1035	401 N MAIN ST	LONE PINE	CA	93545
Apro, LLC	Y	1101137	(562) 983-7827	1670 W PACIFIC COAST HWY	LONG BEACH	CA	90810-4027
OC Burger Boys, LLC	Y	1100139	(562) 421-1050	2920 N BELLFLOWER BLVD	LONG BEACH	CA	90815-1149
Palisades Restaurant Group Inc.	Y	1100162	(562) 432-7502	700 LONG BEACH BLVD	LONG BEACH	CA	90813-4417

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OC Burger Boys, LLC	N	1100159	(562) 492-9984	2100 E CARSON ST	LONG BEACH	CA	90807-3042
OC Burger Boys, LLC	N	1100579	(562) 423-9539	6601 ATLANTIC AVE	LONG BEACH	CA	90805-1409
Palisades Restaurant Group Inc.	N	1100209	(562) 627-0979	7201 CARSON ST	LONG BEACH	CA	90808-2359
Palisades Restaurant Group Inc.	N	1100228	(562) 981-9192	271 EAST WILLOW STREET	LONG BEACH	CA	90806-2623
Palisades Restaurant Group Inc.	N	1102601	(562) 494-4356	4511 E PACIFIC COAST HWY	LONG BEACH	CA	90804
TWM Industries, LP	Y	1101040	(650) 965-9002	5000 EL CAMINO REAL	LOS ALTOS	CA	94022-1500
New Horizon Foods, LLC	Y	1102184	(213) 700-7684	2110 W 7TH ST	LOS ANGELES	CA	90057
Palisades Restaurant Group Inc.	Y	1100097	(323) 935-4122	1005 S FAIRFAX AVE	LOS ANGELES	CA	90019-4402
Areas USA LAX, LLC	N	1102047	(213) 503-1805	TERMINAL 8, SP 8E, LAX, 1 WORLD WAY	LOS ANGELES	CA	90045
ATJ&B LLC	N	1100253	(213) 386-6902	3500 WILSHIRE BLVD.	LOS ANGELES	CA	90010-2309
Barnes, Zuri and Alma	N	1103026	(213) 625-1357	229 WEST 7TH STREET	LOS ANGELES	CA	90014
Behnam H. Rodd	N	1100800	(310) 558-0297	5800 OBAMA BLVD	LOS ANGELES	CA	90016-4406
Burger Buddies LLC	N	1100505	(310) 824-1497	308 WESTWOOD PLAZA	LOS ANGELES	CA	90095-8355
Harshad & Nasir Corporation	N	1100163	(323) 724-5488	5633 N. WHITTIER BLVD.	LOS ANGELES	CA	90022-4105
M.M. Restaurant, Inc.	N	1100212	(323) 264-4232	1751 S SOTO ST	LOS ANGELES	CA	90023-2641
Non Traditional Foods, Inc.	N	1101487	(323) 343-6780	5151 STATE UNIVERSITY DR	LOS ANGELES	CA	90032-4226
Palisades Restaurant Group Inc.	N	1100422	(323) 262-2603	2320 E 4TH ST	LOS ANGELES	CA	90033-4306
Razipour, Michael	N	1100804	(323) 766-8290	1001 W MARTIN LUTHER KING JR	LOS ANGELES	CA	90037-1816
Razipour, Michael	N	1101133	(323) 242-0011	11224 S WESTERN AVE	LOS ANGELES	CA	90047-4800
Senior Classic Leasing, LLC	N	1101414	(323) 441-8878	3215 N BROADWAY	LOS ANGELES	CA	90031-2801

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
The Chowchilla Connection, LLC	Y	1100649	(209) 827-4533	1551 W PACHECO BLVD	LOS BANOS	CA	93635-8505
The Chowchilla Connection, LLC	Y	1101713	(209) 827-3567	1941 E PACHECO BLVD	LOS BANOS	CA	93635-4936
Razipour, Mirkazemi, Khajvand	Y	1100225	(661) 797-2542	21937 HIGHWAY 46	LOST HILLS	CA	93249-9733
The Chowchilla Connection, LLC	Y	1100360	(559) 674-7863	301 S. MADERA AVE.	MADERA	CA	93637-5430
The Chowchilla Connection, LLC	Y	1100621	(559) 674-9772	1305 COUNTRY CLUB DRIVE	MADERA	CA	93638-1547
Wiles' Restaurants, Inc.	N	1100819	(760) 934-8812	437 OLD MAMMOTH RD	MAMMOTH LAKES	CA	93546
Manteca Star, LLC	Y	1100177	(209) 239-5851	990 N MAIN ST	MANTECA	CA	95336-3743
Manteca Star, LLC	Y	1100590	(209) 239-7705	1465 W YOSEMITE AVE	MANTECA	CA	95337-5100
Manteca Star, LLC	Y	1101575	(209) 825-7190	1489 HULSEY WAY	MANTECA	CA	95336-5066
Hundal Foods, Inc.	N	1101148	(925) 313-9420	550-D MORELLO AVE	MARTINEZ	CA	94553-6871
Alpha Star Restaurants, LLC	N	1100787	(530) 742-6130	429 9TH ST	MARYSVILLE	CA	95901-5355
The Chowchilla Connection, LLC	Y	1100238	(209) 383-2952	1400 V STREET	MERCED	CA	95340-5633
The Chowchilla Connection, LLC	Y	1100597	(209) 723-5429	300 W OLIVE AVE	MERCED	CA	95348-3137
Vikas Tandon (dba UIS South Bay, Inc.)	N	1101032	(408) 956-1846	1890 MCCANDLESS DR	MILPITAS	CA	95035-8004
ATJ&B LLC	N	1100268	(951) 739-0916	6221 PATS RANCH RD	MIRA LOMA	CA	91752-4428
OC Burger Boys, LLC	Y	1100112	(949) 581-2960	27092 LA PAZ RD	MISSION VIEJO	CA	92692-2442
OC Burger Boys, LLC	Y	1100406	(949) 582-5524	26338 OSO PKWY	MISSION VIEJO	CA	92691-5641
Modesto Restaurant Group, LLC	Y	1101681	(209) 537-4763	118 E WHITMORE AVE	MODESTO	CA	95358-9411
Modesto Restaurant Group, LLC	N	1100774	(209) 577-6009	2808 MCHENRY AVE	MODESTO	CA	95350-2350
Modesto Restaurant Group, LLC	N	1100817	(209) 545-2796	4125 SISK AVE	MODESTO	CA	95356-3210

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Modesto Restaurant Group, LLC	N	1101065	(209) 551-0921	1600 OAKDALE RD	MODESTO	CA	95355-3008
High Desert Star, LP	Y	1100176	(661) 824-2858	15900 SIERRA HIGHWAY	MOJAVE	CA	93501-1516
ATJ&B LLC	Y	1100342	(909) 621-1895	5295 HOLT BLVD	MONTCLAIR	CA	91763-4822
Senior Classic Leasing, LLC	N	1100637	(323) 721-9989	1471 N. MONTEBELLO BLVD	MONTEBELLO	CA	90640-2584
DMF Restaurants LLC	N	1100747	(831) 375-4264	902 LIGHTHOUSE AVENUE	MONTEREY	CA	93940-1013
Senior Classic Leasing, LLC	N	1100531	(323) 264-1122	1231 W. AVENIDA CESAR CHAVEZ	MONTEREY PARK	CA	91754-6051
Senior Classic Leasing, LLC	N	1100439	(818) 236-3804	2030 MONTROSE AVENUE	MONTROSE	CA	91020-1605
Burger Buddies LLC	Y	1100662	(805) 523-7034	401 W LOS ANGELES AVENUE	MOORPARK	CA	93021-1707
Akash Restaurants, LLC	N	1100497	(951) 601-0313	16130 PERRIS BLVD	MORENO VALLEY	CA	92551-3302
CLK 3 D-S, LP	N	1100488	(951) 601-0421	27670 EUCALYPTUS AVE	MORENO VALLEY	CA	92555-4557
Murphy's Star, Inc.	N	1100345	(951) 242-3916	25055 ELDER AVE	MORENO VALLEY	CA	92557-7402
Murphy's Star, Inc.	N	1100627	(951) 653-7259	22580 CACTUS AVE	MORENO VALLEY	CA	92553-9022
Murphy's Star, Inc.	N	1100633	(951) 697-0310	22700 CENTERPOINT DR	MORENO VALLEY	CA	92553-5243
Tri Star Foods, LLC	Y	1101026	(408) 779-6411	16995 CONDIT RD	MORGAN HILL	CA	95037-3841
B & J, LLC	N	1101105	(951) 677-8344	40980 CALIFORNIA OAKS RD	MURRIETA	CA	92562-5747
B & J, LLC	N	1101387	(951) 461-0348	40375 MURRIETA HOT SPRINGS	MURRIETA	CA	92563-6409
B & J, LLC	N	1101474	(951) 894-4775	23761 WASHINGTON AVE	MURRIETA	CA	92562-2263
B & J, LLC	N	1101520	(951) 672-3814	28023 SCOTT RD	MURRIETA	CA	92563-7428
SDC Restaurants LLC	N	1100120	(619) 477-2068	1280 PLAZA BLVD	NATIONAL CITY	CA	91950-3610
SDC Restaurants LLC	N	1100261	(619) 474-4382	1502 SWEETWATER	NATIONAL CITY	CA	91950-7621

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Vikas Tandon (dba UIS East Bay, Inc.)	N	1101064	(510) 797-6260	5670 THORNTON AVE	NEWARK	CA	94560-3825
Burger Buddies LLC	N	1100246	(805) 499-0014	411 SOUTH REINO ROAD	NEWBURY PARK	CA	91320-4267
Burger Buddies LLC	Y	1100113	(661) 255-6979	23320 LYONS AVENUE	NEWHALL	CA	91321-2634
Burger Buddies LLC	N	1100487	(661) 259-9286	20425 NEWHALL AVE	NEWHALL	CA	91321
OC Burger Boys, LLC	Y	1100639	(949) 252-8736	4880 CAMPUS DR	NEWPORT BEACH	CA	92660-1808
OC Burger Boys, LLC	N	1100068	(949) 756-8844	2092 SE BRISTOL	NEWPORT BEACH	CA	92660-1727
Central Coast Star, LLC	N	1100484	(805) 929-5916	510 W TEFFT ST	NIPOMO	CA	93444-8946
B & J, LLC	N	1101173	(951) 280-9926	1120 HAMNER AVE	NORCO	CA	92860-3115
Bernard Karcher Investments, Inc.	N	1100702	(951) 735-9610	2896 HAMNER	NORCO	CA	92860-1929
AMS Restaurants, LLC	Y	1100614	(616) 334-7525	7523 WATT AVE	NORTH HIGHLANDS	CA	95660-2608
AMS Restaurants, LLC	N	1100545	(916) 338-2275	4805 WATT AVE	NORTH HIGHLANDS	CA	95660-5108
Palisades Restaurant Group Inc.	Y	1100171	(818) 760-7669	3770 CAHUENGA BLVD	NORTH HOLLYWOOD	CA	91604-3502
Senior Classic Leasing, LLC	N	1101927	(818) 759-4708	6601 LANKERSHIM BLVD	NORTH HOLLYWOOD	CA	91606-1612
Senior Classic Leasing, LLC	N	1100511	(818) 764-5888	12653 SHERMAN WAY	NORTH HOLLYWOOD	CA	91605-5240
Senior Classic Leasing, LLC	N	1100641	(818) 763-5240	5166 VINELAND AVE	NORTH HOLLYWOOD	CA	91601-3849
SBV Partners, a partnership	N	1100790	(209) 847-2948	1449 E. F ST	OAKDALE	CA	95361-9265
TWM/FRESNO, LLC	N	1101567	(559) 658-8878	40242 HWY 41	OAKHURST	CA	93644-8876
TWM Industries, LP	N	1100720	(510) 658-4491	3770 TELEGRAPH AVENUE	OAKLAND	CA	94609-2429
TWM Industries, LP	N	1102575	(510) 383-8910	10770 MACARTHUR BLVD.	OAKLAND	CA	94605
Womar, Incorporated	N	1101150	(925) 778-5472	915 MAIN ST	OAKLEY	CA	94561-2917

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
SDC Restaurants LLC	N	1100651	(760) 945-7850	775 COLLEGE BLVD	OCEANSIDE	CA	92057-6259
SDC Restaurants LLC	N	1101470	(760) 967-0371	611 DOUGLAS DR	OCEANSIDE	CA	92058-6948
SDC Restaurants LLC	N	1100564	(760) 630-3487	4186 OCEANSIDE BLVD	OCEANSIDE	CA	92056-6003
Akash Restaurants, LLC	Y	1100101	(909) 983-3818	1445 N MOUNTAIN AVE	ONTARIO	CA	91762-1107
Akash Restaurants, LLC	Y	1100204	(909) 984-0949	1625 E 4TH ST	ONTARIO	CA	91764-2637
ATJ&B LLC	Y	1100501	(909) 947-2594	2421 SO VINEYARD AVE.	ONTARIO	CA	91761-6479
ATJ&B LLC	Y	1100390	(909) 476-0053	4453 MILLS CIRCLE	ONTARIO	CA	91764-5232
ATJ&B LLC	N	1102832	(909) 781-5981	3440 EAST ONTARIO RANCH ROAD	ONTARIO	CA	91761
OC Burger Boys, LLC	Y	1100462	(714) 771-1579	145 N TUSTIN ST	ORANGE	CA	92867-7716
OC Burger Boys, LLC	Y	1100481	(714) 639-7025	1522 E KATELLA AVE	ORANGE	CA	92867-5026
OC Burger Boys, LLC	Y	1100052	(714) 633-3450	3510 E CHAPMAN	ORANGE	CA	92869-3815
JLN Enterprises, L.P.	N	1102649	(530) 712-9267	2730 OLIVE HWY	OROVILLE	CA	95966
RWZ Restaurants, LLC	Y	1100601	(661) 266-4928	2505 E AVENUE S	PALMDALE	CA	93550-6402
High Desert Star, LP	N	1100111	(661) 947-7775	2005 E PALMDALE BLVD	PALMDALE	CA	93550-4036
High Desert Star, LP	N	1100619	(661) 266-4582	1031 WEST AVENUE P	PALMDALE	CA	93551-3933
RWZ Restaurants, LLC	N	1100315	(661) 722-1081	5006 W AVENUE N	PALMDALE	CA	93551-5729
CLK 2 D-S, LP	N	1101700	(760) 340-9543	36879 COOK ST	PALM DESERT	CA	92211-6063
CLK 2, LLC	N	1100728	(760) 568-0170	73-125 HIGHWAY 111	PALM DESERT	CA	92260-3907
CLK 3, LLC	N	1101454	(760) 778-1689	425 S SUNRISE WAY STE D	PALM SPRINGS	CA	92262-7664
CLK 5, Inc.	N	1100731	(760) 325-1795	2520 N PALM CANYON DR	PALM SPRINGS	CA	92262-1832

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Senior Classic Leasing, LLC	N	1100042	(818) 892-2712	14344 ROSCOE BLVD	PANORAMA CITY	CA	91402-4223
Burger Buddies LLC	Y	1100466	(562) 531-8662	16229 PARAMOUNT BLVD	PARAMOUNT	CA	90723-5425
Burger Buddies LLC	N	1100340	(562) 408-2299	14555 LAKEWOOD BLVD	PARAMOUNT	CA	90723-3636
DFG Restaurants, Inc.	N	1100670	(626) 351-1801	485 N ROSEMEAD BLVD	PASADENA	CA	91107-3044
Senior Classic Leasing, LLC	N	1100061	(626) 795-7633	1465 E COLORADO BLVD.	PASADENA	CA	91106-2001
Central Coast Star, LLC	N	1100057	(805) 227-4732	2201 THEATRE DR	PASO ROBLES	CA	93446-9613
Central Coast Star, LLC	N	1100325	(805) 238-4967	2725 BLACK OAK DRIVE	PASO ROBLES	CA	93446-1315
Modesto Restaurant Group, LLC	Y	1101721	(209) 892-8383	65 ROGERS RD	PATTERSON	CA	95363-9513
Murphy's Star, Inc.	N	1102579	(951) 263-9906	736 RAMONA EXPRESSWAY	PERRIS	CA	92570
Burger Buddies LLC	Y	1100379	(562) 942-7681	9400 SLAUSON AVENUE	PICO RIVERA	CA	90660-4748
Hundal Foods, Inc.	N	1101029	(510) 223-2562	1550 FITZGERALD DRIVE	PINOLE	CA	94564-2229
Womar, Incorporated	N	1100521	(925) 754-5423	4595 CENTURY BLVD	PITTSBURG	CA	94565-7103
OC Burger Boys, LLC	Y	1100663	(714) 524-8770	750 N ROSE DRIVE	PLACENTIA	CA	92870-7520
BTO Investments	N	1101056	(530) 626-3542	93 FAIR LN	PLACERVILLE	CA	95667-3922
Akash Restaurants, LLC	Y	1100472	(909) 629-6075	801 RIO RANCHO RD	POMONA	CA	91766
ATJ&B LLC	Y	1100080	(909) 626-2122	1755 N INDIAN HILL BLVD.	POMONA	CA	91767-3729
ATJ&B LLC	N	1100588	(909) 598-9865	3395 POMONA BLVD	POMONA	CA	91768-3297
Cal Poly Pomona Foundation, Inc.	N	1101104		3801 W. Temple Ave. Bldg 97	Pomona	CA	91768
Senior Classic Leasing, LLC	N	1100387	(909) 392-7343	140 E FOOTHILL BLVD	POMONA	CA	91767-1402
Central California Connection, LLC	Y	1100482	(559) 793-1667	431 W VANDALIA AVE	PORTERVILLE	CA	93257-5916

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
SDC Restaurants LLC	N	1100453	(858) 679-1663	14949 POMERADO	POWAY	CA	92064-2804
SDC Restaurants LLC	N	1100133	(858) 486-6043	14097 STOWE DRIVE	POWAY	CA	92064-6848
AMS Restaurants, LLC	N	1100043	(916) 859-0706	2300 SUNRISE BLVD	RANCHO CORDOVA	CA	95670-4343
AMS Restaurants, LLC	N	1100190	(916) 362-4590	10311 FOLSOM BLVD	RANCHO CORDOVA	CA	95670-3518
AMS Restaurants, LLC	N	1100534	(916) 631-8115	3100 SUNRISE BLVD	RANCHO CORDOVA	CA	95742-7342
ATJ&B LLC	Y	1100200	(909) 941-0041	11738 FOOTHILL BLVD	RANCHO CUCAMONGA	CA	91730-3914
ATJ&B LLC	Y	1100643	(909) 941-3795	7359 MILLIKEN AVE	RANCHO CUCAMONGA	CA	91730
Burger Buddies LLC	Y	1100372	(310) 833-4130	28619 S WESTERN AVE	RANCHO PALOS VERDES	CA	90275-0810
JLN Enterprises, L.P.	N	1100711	(530) 221-7962	833 E. CYPRESS AVENUE	REDDING	CA	96002-1003
JLN Enterprises, L.P.	N	1100712	(530) 241-1849	6360 WEST SIDE STREET	REDDING	CA	96001-4855
JLN Enterprises, L.P.	N	1101020	(530) 241-4939	183 LAKE BLVD	REDDING	CA	96003-2539
JLN Enterprises, L.P.	N	1101160	(530) 242-0600	1800 EUREKA WAY	REDDING	CA	96001-0433
Akash Restaurants, LLC	N	1100173	(909) 793-1058	1205 W COLTON AVE	REDLANDS	CA	92374-2861
Palisades Restaurant Group Inc.	N	1100210	(310) 374-8022	2100 ARTESIA BLVD	REDONDO BEACH	CA	90278-3014
TWM Industries, LP	N	1100706	(650) 361-1230	1001 VETERANS BOULEVARD	REDWOOD CITY	CA	94063-1716
Central California Connection, LLC	Y	1100570	(559) 638-5413	810 N REED AVE	REEDLEY	CA	93654-2441
Senior Classic Leasing, LLC	N	1100058	(818) 881-8775	18756 SHERMAN WAY	RESEDA	CA	91335-4040
Senior Classic Leasing, LLC	N	1100092	(818) 881-9635	19305 VICTORY BLVD	RESEDA	CA	91335-6302
ATJ&B LLC	Y	1100582	(909) 873-4766	2022 N RIVERSIDE AVE	RIALTO	CA	92377-4600
ATJ&B LLC	Y	1100283	(909) 875-2650	620 W FOOTHILL BLVD	RIALTO	CA	92376-4861

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
ATJ&B LLC	N	1100428	(909) 746-0104	1334 S RIVERSIDE AVE	RIALTO	CA	92376
Wiles' Restaurants, Inc.	N	1101044	(760) 375-8280	230 S CHINA LAKE BLVD	RIDGECREST	CA	93555-4000
Manteca Star, LLC	Y	1101481	(209) 599-9222	1410 COLONY RD	RIPON	CA	95366-9421
Modesto Restaurant Group, LLC	N	1102200	(209) 863-8767	2773 PATTERSON RD	RIVERBANK	CA	95367
Akash Restaurants, LLC	Y	1100424	(951) 351-9706	4240 RIVERWALK PKWY	RIVERSIDE	CA	92505-3368
Akash Restaurants, LLC	Y	1100541	(951) 360-1249	10100 BEN NEVIS BLVD	RIVERSIDE	CA	92509-2527
ATJ&B LLC	Y	1100105	(951) 686-3745	1250 UNIVERSITY AVE	RIVERSIDE	CA	92507-4562
ATJ&B LLC	Y	1100106	(951) 688-9300	10010 MAGNOLIA	RIVERSIDE	CA	92503-3530
Murphy's Star, Inc.	Y	1100307	(951) 684-1311	5225 CANYON CREST DR	RIVERSIDE	CA	92507-6301
Akash Restaurants, LLC	N	1103042	(909) 973-9041	2940 VAN BUREN BLVD., SUITE 100	RIVERSIDE	CA	92503
ATJ&B LLC	N	1100530	(951) 351-8792	3483 MADISON STREET	RIVERSIDE	CA	92504-3716
ATJ&B LLC	N	1100644	(951) 369-3114	6079 MAGNOLIA AVE	RIVERSIDE	CA	92506-2525
Bernard Karcher Investments, Inc.	N	1101097	(951) 681-3970	8919 LIMONITE AVE	RIVERSIDE	CA	92509-5022
AMS Restaurants, LLC	Y	1100178	(916) 782-1755	6608 LONETREE BLVD	ROCKLIN	CA	95765-3737
CZM Restaurants, Inc.	N	1101370	(916) 660-9912	4315 SIERRA COLLEGE BLVD	ROCKLIN	CA	95677-3904
Second Star Holdings, LLC	N	1100864	(707) 584-5727	6460 REDWOOD DR	ROHNERT PARK	CA	94928-2326
AMS Restaurants, LLC	Y	1100184	(916) 782-7597	1701 DOUGLAS BLVD	ROSEVILLE	CA	95661-2917
AMS Restaurants, LLC	N	1100616	(916) 773-7266	4002 FOOTHILLS BLVD	ROSEVILLE	CA	95747-7233
AMS Restaurants, LLC	N	1100655	(916) 773-7423	9065 WOODCREEK OAKS BLVD	ROSEVILLE	CA	95747-5152
Senior Classic Leasing, LLC	N	1100075	(626) 964-4441	18237 COLIMA RD	ROWLAND HEIGHTS	CA	91748-2613

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
AMS Restaurants, LLC	Y	1100199	(916) 421-2923	7151 FRANKLIN BLVD	SACRAMENTO	CA	95823-1819
AMS Restaurants, LLC	Y	1100222	(916) 334-2831	5201 ELKHORN BLVD	SACRAMENTO	CA	95842-2506
AMS Restaurants, LLC	Y	1100516	(916) 454-2861	2615 BROADWAY	SACRAMENTO	CA	95818-2619
AMS Restaurants, LLC	N	1100011	(916) 364-5268	9631 MICRON AVENUE	SACRAMENTO	CA	95827-2605
AMS Restaurants, LLC	N	1100195	(916) 920-8157	2280 ARDEN WAY	SACRAMENTO	CA	95825-3337
AMS Restaurants, LLC	N	1100231	(916) 481-4798	4205 MARCONI AVE.	SACRAMENTO	CA	95821-4215
AMS Restaurants, LLC	N	1100264	(916) 452-8976	5501 FREEPORT AVE	SACRAMENTO	CA	95822-2704
AMS Restaurants, LLC	N	1100301	(916) 928-6091	2241 DEL PASO RD	SACRAMENTO	CA	95835-2220
AMS Restaurants, LLC	N	1100351	(916) 392-7485	6201 MACK ROAD	SACRAMENTO	CA	95823-4667
AMS Restaurants, LLC	N	1100421	(916) 564-8663	2460 W. EL CAMINO AVENUE	SACRAMENTO	CA	95833-3902
AMS Restaurants, LLC	N	1100548	(916) 646-9930	3776 NORTHGATE BLVD	SACRAMENTO	CA	95834-1617
AMS Restaurants, LLC	N	1100553	(916) 929-1087	899 EL CAMINO	SACRAMENTO	CA	95815-2512
AMS Restaurants, LLC	N	1100612	(916) 387-8646	8397 FOLSOM BLVD	SACRAMENTO	CA	95826-3538
AMS Restaurants, LLC	N	1102759	(916) 427-9999	1315 FLORIN ROAD	SACRAMENTO	CA	95831
DMF Restaurants LLC	N	1100748	(831) 754-1419	1061 NORTH DAVIS ROAD	SALINAS	CA	93907-1946
DMF Restaurants LLC	N	1100749	(831) 754-4416	950 ABBOTT STREET	SALINAS	CA	93901-4324
DMF Restaurants LLC	N	1101478	(831) 770-1660	400 E MARKET ST	SALINAS	CA	93901-3749
ATJ&B LLC	N	1100081	(909) 884-5514	524 INLAND CENTER DR	SAN BERNARDINO	CA	92408-1802
CLK 4, LLC	N	1102773	(909) 881-1997	293 E 40TH ST	SAN BERNARDINO	CA	92404
DMF Star, Inc.	N	1100499	(909) 824-5966	192 E REDLANDS BLVD	SAN BERNARDINO	CA	92408-3709

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
TWM Industries, LP	N	1100716	(650) 583-6467	899 CHERRY AVENUE	SAN BRUNO	CA	94066-2949
Wiles' Restaurants, Inc.	N	1100038	(949) 498-6279	957 AVENIDA PICO	SAN CLEMENTE	CA	92673-3908
Wiles' Restaurants, Inc.	N	1100250	(949) 498-5641	3929 S EL CAMINO REAL	SAN CLEMENTE	CA	92672-3457
SDC Restaurants LLC	N	1100095	(858) 455-1220	4199 GOVERNOR DR	SAN DIEGO	CA	92122
SDC Restaurants LLC	N	1100203	(858) 271-4480	6788 MIRAMAR RD	SAN DIEGO	CA	92121-2605
SDC Restaurants LLC	N	1100214	(858) 487-6250	16685 BERNARDO CENTER DR	SAN DIEGO	CA	92128-2527
SDC Restaurants LLC	N	1100445	(858) 586-7774	10745 CAMINO RUIZ	SAN DIEGO	CA	92126-2304
SDC Restaurants LLC	N	1100147	(858) 689-0538	9360 KEARNY MESA RD	SAN DIEGO	CA	92126-4503
SDC Restaurants LLC	N	1100157	(619) 281-9813	6566 MISSION GORGE ROAD	SAN DIEGO	CA	92120-2307
SDC Restaurants LLC	N	1100168	(619) 283-7653	3008 EL CAJON BLVD	SAN DIEGO	CA	92104-1316
SDC Restaurants LLC	N	1100267	(858) 566-4731	9805 CARROLL CANYON RD	SAN DIEGO	CA	92131-1103
SDC Restaurants LLC	N	1100288	(858) 560-8279	9355 CLAIREMONT MESA BLVD.	SAN DIEGO	CA	92123-1213
SDC Restaurants LLC	N	1100331	(619) 275-2971	2903 BURGENER BLVD	SAN DIEGO	CA	92110-1039
SDC Restaurants LLC	N	1100405	(619) 297-9249	845 MORENA BOULEVARD	SAN DIEGO	CA	92110-2610
SDC Restaurants LLC	N	1100418	(619) 660-7548	2935 JAMACHA RD	SAN DIEGO	CA	92019
SDC Restaurants LLC	N	1100491	(858) 565-4032	3833 CONVOY STREET	SAN DIEGO	CA	92111-3721
SDC Restaurants LLC	N	1100610	(858) 495-9159	7404 CLAIREMONT MESA BLVD	SAN DIEGO	CA	92111-1502
SDC Restaurants LLC	N	1100613	(619) 583-4361	5901 UNIVERSITY AVE	SAN DIEGO	CA	92115-6304
SDC Restaurants LLC	N	1100632	(619) 661-6213	2365 ROLL DRIVE	SAN DIEGO	CA	92154-7238
SDC Restaurants LLC	N	1100652	(619) 662-1447	614 DENNERY ROAD	SAN DIEGO	CA	92154-8402

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Akash Restaurants, LLC	Y	1100234	(909) 592-7265	698 W ARROW HWY	SAN DIMAS	CA	91773-2958
Senior Classic Leasing, LLC	N	1100213	(818) 365-5587	11509 LAUREL CANYON BLVD	SAN FERNANDO	CA	91340-4123
TWM Industries, LP	N	1100763	(415) 391-5799	1 HALLIDIE PLAZA	SAN FRANCISCO	CA	94102-2818
Senior Classic Leasing, LLC	N	1100189	(626) 573-8480	1900 SAN GABRIEL BLVD	SAN GABRIEL	CA	91776-3932
Senior Classic Leasing, LLC	N	1100255	(626) 289-9323	505 W LAS TUNAS DRIVE	SAN GABRIEL	CA	91776-1110
TWM/FRESNO, LLC	N	1102246	(559) 546-5100	2610 JENSEN AVE	SANGER	CA	93657
CLK Desert Star, LP	N	1100122	(951) 654-3642	1171 N STATE ST	SAN JACINTO	CA	92583-6317
Tri Star Foods, LLC	Y	1101048	(408) 238-3821	2802 S WHITE RD	SAN JOSE	CA	95148-2932
Tri Star Foods, LLC	Y	1101054	(408) 978-3562	1101 BRANHAM LN	SAN JOSE	CA	95118-3700
Tri Star Foods, LLC	Y	1101694	(408) 292-5240	655 COLEMAN AVE	SAN JOSE	CA	95110-2000
Vikas Tandon (dba UIS South Bay, Inc.)	Y	1101170	(408) 920-9611	1095 OLD OAKLAND ROAD	SAN JOSE	CA	95112-1429
Tri Star Foods, LLC	N	1101035	(408) 246-6966	1346 SARATOGA AVENUE	SAN JOSE	CA	95129-4336
Tri Star Foods, LLC	N	1101053	(408) 225-5300	172 BERNAL RD	SAN JOSE	CA	95119-1352
Wiles' Restaurants, Inc.	N	1100701	(949) 493-9661	31852 DEL OBISPO ST	SAN JUAN CAPISTRANO	CA	92675-3204
Central Coast Star, LLC	N	1100289	(805) 788-0510	3980 BROAD STREET	SAN LUIS OBISPO	CA	93401-7018
SDC Restaurants LLC	N	1100220	(760) 752-4494	120 KNOLL RD	SAN MARCOS	CA	92069-1529
TWM Industries, LP	Y	1101017	(925) 866-1156	3131 CROW CANYON PL	SAN RAMON	CA	94583-1325
OC Burger Boys, LLC	Y	1100132	(949) 250-8960	1720 E DYER RD	SANTA ANA	CA	92705-5704
OC Burger Boys, LLC	Y	1100277	(714) 564-9348	1943 E 17TH ST	SANTA ANA	CA	92705-8603
Gold Wing Foods, LLC	N	1101986	(949) 724-9144	18601 AIRPORT WAY, SPACE 2061	SANTA ANA	CA	92707-5200

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Central Coast Star, LLC	Y	1100524	(805) 966-0051	7 SOUTH MILPAS STREET	SANTA BARBARA	CA	93103-3305
Tri Star Foods, LLC	N	1101095	(408) 496-1187	2495 LAFAYETTE ST	SANTA CLARA	CA	95050-2907
Tri Star Foods, LLC	N	1101036	(408) 727-6660	2900 BOWERS AVE	SANTA CLARA	CA	95051-0919
Tri Star Foods, LLC	N	1101034	(408) 243-1234	270 SARATOGA AVE	SANTA CLARA	CA	95050-6629
Burger Buddies LLC	N	1100090	(661) 251-4787	18741 VIA PRINCESSA	SANTA CLARITA	CA	91387-4954
Burger Buddies LLC	N	1100334	(661) 257-3114	27606 N NEWHALL RANCH RD	SANTA CLARITA	CA	91355-4013
Burger Buddies LLC	Y	1100696	(562) 863-4702	12940 IMPERIAL HWY	SANTA FE SPRINGS	CA	90670-4716
K&G QSR, Inc.	N	1100108		13157 TELEGRAPH RD	SANTA FE SPRINGS	CA	90670-4013
Central Coast Star, LLC	N	1100242	(805) 928-2120	2185 S BROADWAY	SANTA MARIA	CA	93454-7842
Central Coast Star, LLC	N	1100609	(805) 349-2031	1355 S BRADLEY RD	SANTA MARIA	CA	93454-8005
Modesto Restaurant Group, LLC	N	1100775	(209) 826-3708	12260 HIGHWAY 33	SANTA NELLA	CA	95322-9733
Burger Buddies LLC	Y	1100523	(805) 525-9666	230 E HARVARD BLVD	SANTA PAULA	CA	93060-3372
Second Star Holdings, LLC	N	1100861	(707) 571-7997	3640 INDUSTRIAL DR	SANTA ROSA	CA	95403-2059
Second Star Holdings, LLC	N	1100862	(707) 571-7775	495 STONY POINT	SANTA ROSA	CA	95401-5998
Second Star Holdings, LLC	N	1100866	(707) 571-2001	1000 FARMERS LN	SANTA ROSA	CA	95405-6749
Third Star Investments, LLC	N	1101381	(707) 575-5945	373 AVIATION BLVD	SANTA ROSA	CA	95403-1028
SDC Restaurants LLC	N	1100385	(619) 562-8715	10009 MISSION GORGE ROAD	SANTEE	CA	92071-3833
SDC Restaurants LLC	N	1100197	(619) 428-4980	805 W. SAN YSIDRO BLVD	SAN YSIDRO	CA	92173-1827
SDC Restaurants LLC	N	1102588	(619) 428-3638	4463 CAMINO DE LA PLAZA, SUITE 101	SAN YSIDRO	CA	92173
Tri Star Foods, LLC	N	1102116	(831) 430-9080	5620 SCOTTS VALLEY DR	SCOTTS VALLEY	CA	95066

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OC Burger Boys, LLC	Y	1100656	(562) 430-2739	13902 SEAL BEACH BLVD	SEAL BEACH	CA	90740-5301
DMF Restaurants LLC	N	1100803	(831) 899-9328	1142 FREMONT BLVD	SEASIDE	CA	93955-5715
Central California Connection, LLC	Y	1100354	(559) 896-5038	2818 E FLORAL AVE	SELMA	CA	93662-2605
Senior Classic Leasing, LLC	N	1100017	(626) 452-0587	1625 SANTA ANITA AVE	S EL MONTE	CA	91733-3409
Senior Classic Leasing, LLC	N	1100314	(818) 894-4341	9505 SEPULVEDA BLVD	SEPULVEDA	CA	91343-3305
Burger Buddies LLC	Y	1100156	(805) 522-8627	1208 MADERA RD	SIMI VALLEY	CA	93065-4002
Burger Buddies LLC	Y	1100377	(805) 581-1162	5786 E LOS ANGELES AVENUE	SIMI VALLEY	CA	93063-5226
ATJ&B LLC	N	1100397	(805) 306-0103	2619 TAPO CANYON ROAD	SIMI VALLEY	CA	93063-6831
ATJ&B LLC	N	1100110	(805) 526-6915	2402 N ERRINGER RD	SIMI VALLEY	CA	93065-2351
SDC Restaurants LLC	N	1100201	(858) 481-0666	106 SOLANA HILLS DR	SOLANA BEACH	CA	92075-2003
DMF Restaurants LLC	N	1100871	(831) 678-2880	1000 FRONT STREET	SOLEDAD	CA	93960-2977
Sonora Star, Inc.	Y	1100642	(209) 533-8857	1075 MONO WAY	SONORA	CA	95370-5282
Burger Buddies LLC	Y	1100398	(562) 861-5435	5760 IMPERIAL HWY	SOUTH GATE	CA	90280-7517
Simas, Edward Thomas	N	1101110	(650) 755-1591	110 HICKEY BLVD	SOUTH SAN FRANCISCO	CA	94080-1144
SDC Restaurants LLC	N	1100118	(619) 460-6963	3722 KENORA	SPRING VALLEY	CA	91977-1235
Burger Buddies LLC	Y	1100429	(661) 259-9098	24715 PICO CANYON RD	STEVENSON RANCH	CA	91381-1702
Womar, Incorporated	Y	1100219	(209) 476-1091	3205 W. HAMMER LANE	STOCKTON	CA	95209-2751
AMS Restaurants, LLC	N	1102550	(209) 939-9531	939 W CHARTER WAY	STOCKTON	CA	95206
Womar, Incorporated	N	1100493	(209) 951-9523	1535 E HAMMER LN	STOCKTON	CA	95210-3114
Womar, Incorporated	N	1100494	(209) 957-2000	7432 PACIFIC AVENUE	STOCKTON	CA	95207-1927

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Womar, Incorporated	N	1100495	(209) 957-7311	2610 W MARCH LN	STOCKTON	CA	95207-6523
B & J, LLC	N	1101157	(951) 679-9887	26100 NEWPORT DR	SUN CITY	CA	92584-7002
TWM Industries, LP	N	1101038	(408) 296-7756	1051 E EL CAMINO REAL	SUNNYVALE	CA	94087-3755
Senior Classic Leasing, LLC	N	1100510	(818) 768-9227	8875 GLEN OAKS BLVD	SUN VALLEY	CA	91352-2831
Harshad & Nasir Corporation	N	1100263	(818) 996-1868	19400 VENTURA BLVD.	TARZANA	CA	91356-3031
B & J, LLC	N	1101410	(951) 302-2514	33125 TEMECULA PKWY	TEMECULA	CA	92592-9141
Bernard Karcher Investments, Inc.	N	1100818	(951) 694-9196	44515 BEDFORD CT	TEMECULA	CA	92592-2541
ATJ&B LLC	N	1100069	(805) 495-7779	1384 MOORPARK ROAD	THOUSAND OAKS	CA	91360-5224
CLK 4, LLC	N	1100793	(760) 343-2252	72-305 VARNER RD	THOUSAND PALMS	CA	92276-3362
Burger Buddies LLC	Y	1100426	(310) 212-7941	1259 W CARSON ST	TORRANCE	CA	90502-2009
Burger Buddies LLC	N	1100431	(310) 214-9288	3971 ARTESIA BLVD	TORRANCE	CA	90504-3210
OC Burger Boys, LLC	N	1100076	(310) 371-1586	21112 ANZA AVE	TORRANCE	CA	90503-4211
OC Burger Boys, LLC	N	1100066	(310) 323-1472	2210 W REDONDO BEACH BLVD	TORRANCE	CA	90504-1527
Palisades Restaurant Group Inc.	N	1100158	(310) 375-2844	24010 HAWTHORNE BLVD	TORRANCE	CA	90505-5902
Palisades Restaurant Group Inc.	N	1100215	(310) 618-1008	1360 W 190TH ST	TORRANCE	CA	90501-1135
Modesto Restaurant Group, LLC	N	1101180	(209) 836-2400	1963 TRACY BLVD	TRACY	CA	95376-2459
SBV Partners, a partnership	N	1100801	(209) 835-5494	2380 W GRANT LINE RD	TRACY	CA	95377-7308
Central California Connection, LLC	Y	1100361	(559) 688-5638	85 S TOWER SQ	TULARE	CA	93274-4028
Central California Connection, LLC	Y	1100626	(559) 687-8127	1527 HILLMAN	TULARE	CA	93274-1632
The Chowchilla Connection, LLC	Y	1100355	(209) 632-8141	100 N WALNUT RD	TURLOCK	CA	95380-9588

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
The Chowchilla Connection, LLC	Y	1100518	(209) 668-2749	2980 GEER RD	TURLOCK	CA	95382-1142
OC Burger Boys, LLC	Y	1100617	(714) 544-9982	14041 NEWPORT BLVD	TUSTIN	CA	92780-5170
CLK 5, Inc.	N	1101578	(760) 368-3685	BLDG. 1081, P.O. BOX 6178 MCAGCC	TWENTYNINE PALMS	CA	92278-6178
Akash Restaurants, LLC	Y	1100116	(909) 920-5380	1915 N CAMPUS AVE	UPLAND	CA	91784-1667
ATJ&B LLC	Y	1100134	(909) 920-6641	688 E FOOTHILL BLVD	UPLAND	CA	91786-3957
New Horizon Foods, LLC	Y	1100270	(909) 949-3069	1610 W FOOTHILL BLVD	UPLAND	CA	91786-3532
3 Brothers Plaza, LLC	N	1101933	(707) 275-9701	775 W HWY 20	UPPER LAKE	CA	95485
STRZ4US, Inc.	N	1100671	(707) 452-1499	289 ORANGE DRIVE	VACAVILLE	CA	95687-3204
DFG Restaurants, Inc.	N	1100517	(818) 988-2312	7649 VAN NUYS BLVD	VAN NUYS	CA	91405-1359
Senior Classic Leasing, LLC	N	1100127	(818) 994-2056	5575 WOODMAN AVE	VAN NUYS	CA	91401-5821
Senior Classic Leasing, LLC	N	1100229	(818) 781-6101	6457 SEPULVEDA BLVD	VAN NUYS	CA	91411-1303
Burger Buddies LLC	Y	1100363	(805) 339-9281	1745 S VICTORIA AVE	VENTURA	CA	93003-6503
Burger Buddies LLC	N	1100506	(805) 676-9185	3015 JOHNSON DRIVE	VENTURA	CA	93003-7258
Akash Restaurants, LLC	N	1100149	(760) 951-2318	15277 HOOK BLVD	VICTORVILLE	CA	92394-2118
CLK 3 D-S, LP	N	1100543	(760) 951-1904	17110 BEAR VALLEY RD	VICTORVILLE	CA	92395-5851
Central California Connection, LLC	Y	1100155	(559) 733-4172	1336 E MAIN STREET	VISALIA	CA	93292-6643
Central California Connection, LLC	Y	1100185	(559) 733-4465	3350 S MOONEY	VISALIA	CA	93277-7770
Central California Connection, LLC	Y	1100366	(559) 739-1342	501 S CHINOWTH ST	VISALIA	CA	93277-1601
SDC Restaurants LLC	N	1100648	(760) 414-9596	1790 UNIVERSITY DR	VISTA	CA	92083-7772
SDC Restaurants LLC	N	1101390	(760) 732-0605	660 HACIENDA DR	VISTA	CA	92081-6539

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Razipour, Mirkazemi, Khajvand	Y	1100463	(661) 758-4557	1308 HIGHWAY 46	WASCO	CA	93280-1303
DFG Restaurants, Inc.	N	1100102	(626) 965-4455	2400 S AZUSA	WEST COVINA	CA	91792-1512
Senior Classic Leasing, LLC	N	1100350	(626) 331-3705	2980 E. WORKMAN AVENUE	WEST COVINA	CA	91791-1610
Modesto Restaurant Group, LLC	Y	1101168	(209) 894-3777	4437 HOWARD RD	WESTLEY	CA	95387
OC Burger Boys, LLC	Y	1100317	(714) 901-5513	13425 BEACH BLVD	WESTMINSTER	CA	92683-9208
OC Burger Boys, LLC	N	1100638	(714) 892-8214	6751 WESTMINSTER BLVD	WESTMINSTER	CA	92683-3706
AMS Restaurants, LLC	N	1100346	(916) 371-2015	854 HARBOR BLVD	WEST SACRAMENTO	CA	95691-2202
Senior Classic Leasing, LLC	N	1100175	(562) 789-8045	12358 WASHINGTON BLVD.	WHITTIER	CA	90606-2503
Senior Classic Leasing, LLC	N	1100256	(562) 692-3114	10409 WHITTIER BLVD.	WHITTIER	CA	90606-1335
Senior Classic Leasing, LLC	N	1100669	(562) 902-1974	15360 WHITTIER BLVD	WHITTIER	CA	90603-1336
JLN Enterprises, L.P.	N	1100620	(530) 473-5058	300 S VANN ST	WILLIAMS	CA	95987
Star Goals, LLC	N	1101519	(951) 926-2419	30604 BENTON RD	WINCHESTER	CA	92596-8467
AMS Restaurants, LLC	N	1100417	(530) 669-7124	1556 E MAIN ST	WOODLAND	CA	95776-6217
AMS Restaurants, LLC	N	1100607	(530) 668-1289	98 W. MAIN ST.	WOODLAND	CA	95695-3016
Senior Classic Leasing, LLC	N	1100003	(818) 884-0783	6310 PLATT AVE	WOODLAND HILLS	CA	91367-1341
JLN Enterprises, L.P.	N	1101116	(530) 842-2304	1868 FORT JONES RD	YREKA	CA	96097-9531
Alpha Star Restaurants, LLC	N	1100788	(530) 671-0885	1300 BRIDGE ST	YUBA CITY	CA	95993-3505
Alpha Star Restaurants, LLC	N	1101804	(530) 673-0995	995 THARP RD	YUBA CITY	CA	95993-8998
CLK 4, LLC	N	1100584	(909) 790-9998	33505 YUCAIPA BLVD	YUCAIPA	CA	92399-2028
CLK 4, LLC	N	1100729	(760) 365-1437	57222 29 PALMS HWY	YUCCA VALLEY	CA	92284-2903

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
By The Rio, LLC	N	1101373	(720) 748-3101	2240 S CHAMBERS ST	AURORA	CO	80014-4528
By The Rio, LLC	N	1100928	(303) 340-0397	15199 E. COLFAX AVE.	AURORA	CO	80011
By The Rio, LLC	N	1100969	(303) 484-1760	7390 S. GARTRELL RD	AURORA	CO	80016
By The Rio, LLC	N	1102504	(303) 644-4156	1025 S 1ST STREET	BENNETT	CO	80102
FrancieCo., L.P.	N	1102409	(303) 335-1185	672 RIVERFRONT DR	BRIGHTON	CO	80601
FrancieCo., L.P.	N	1102602	(775) 842-9886	1015 HOSPITAL RD	BRUSH	CO	80723
FrancieCo., L.P.	N	1102467	(719) 346-5299	582 SOUTH LINCOLN STREET	BURLINGTON	CO	80807
Hafemeister, James	Y	1101347	(719) 638-7247	1059 SPACE CENTER DR	COLORADO SPRINGS	CO	80915-3601
Hafemeister, James	N	1101199	(719) 579-8682	1414 HARRISON RD	COLORADO SPRINGS	CO	80905-4002
Hafemeister, James	N	1101201	(719) 599-5511	425 GARDEN OF THE GODS	COLORADO SPRINGS	CO	80907-4217
Hafemeister, James	N	1101202	(719) 632-4945	306 N NEVADA AVE	COLORADO SPRINGS	CO	80903-1219
Hafemeister, James	N	1101204	(719) 532-0630	7005 CAMPUS DR	COLORADO SPRINGS	CO	80920-3164
Hafemeister, James	N	1101490	(719) 637-1209	6090 STETSON HILLS BLVD	COLORADO SPRINGS	CO	80923-3562
Hafemeister, James	N	1101806	(719) 481-2300	13315 VOYAGER PKWY	COLORADO SPRINGS	CO	80921-7656
Hafemeister, James	N	1102587	(719) 559-4590	2360 N ACADEMY BLVD	COLORADO SPRINGS	CO	80909
Hafemeister, James	N	1103004	(719) 375-1400	4626 FRESHWATER POINT	COLORADO SPRINGS	CO	80924
Hafemeister, James	N	1101203	(719) 570-1120	1895 S CHELTON RD	COLORADO SPRINGS	CO	80910-1664
By The Rio, LLC	N	1100174	(303) 287-1820	5998 DAHLIA ST	COMMERCE CITY	CO	80022-3708
By The Rio, LLC	N	1101683	(303) 307-1770	4730 TOWER RD	DENVER	CO	80249-6680
By The Rio, LLC	N	1101773	(720) 941-6311	4050 COLORADO BLVD	DENVER	CO	80216-4300

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Hafemeister, James	N	1101707	(719) 886-4914	11655 MERIDIAN MARKET VW	FALCON	CO	80831-8233
By The Rio, LLC	N	1101513	(303) 684-9412	4238 UNION ST	FIRESTONE	CO	80504-6494
By The Rio, LLC	N	1101187	(719) 784-4600	502 E MAIN ST	FLORENCE	CO	81226-1250
Hafemeister, James	Y	1101744	(719) 322-0255	7945 FOUNTAIN MESA RD	FOUNTAIN	CO	80817-1535
By The Rio, LLC	N	1101409	(970) 245-9555	2842 NORTH AVE	GRAND JUNCTION	CO	81501-4946
FrancieCo., L.P.	N	1102118	(970) 241-1563	748 22 RD	GRAND JUNCTION	CO	81505-9728
By The Rio, LLC	N	1101196	(970) 356-9611	2555 11TH AVE	GREELEY	CO	80631-6927
By The Rio, LLC	N	1101197	(970) 352-9522	720 10TH ST	GREELEY	CO	80631-1130
By The Rio, LLC	N	1101775	(303) 536-4080	201 E BISON WAY	HUDSON	CO	80642-5016
By The Rio, LLC	N	1101825	(303) 254-4700	2901 COLORADO BLVD	IDAHO SPRINGS	CO	80452-0914
By The Rio, LLC	N	1103054	(720) 821-4656	2406 S. HWY 287	LAFAYETTE	CO	80026
By The Rio, LLC	N	1101189	(719) 384-9618	500 W FIRST ST	LA JUNTA	CO	81050-1415
By The Rio, LLC	N	1103064	(720) 479-8044	5821 W. 44TH AVENUE	LAKESIDE	CO	80212
By The Rio, LLC	N	1101374	(303) 716-9200	497 S WADSWORTH	LAKEWOOD	CO	80226-3110
By The Rio, LLC	N	1103101		13420 W. COAL MINE AVE.	LITTLETON	CO	80127
By The Rio, LLC	N	1101512	(303) 776-6215	1754 HOVER ST	LONGMONT	CO	80501-7174
By The Rio, LLC	N	1101686	(970) 663-5306	4140 CLYDESDALE PKWY	LOVELAND	CO	80538-9306
By The Rio, LLC	N	1101687	(303) 799-4605	12165 LIONESS WAY	PARKER	CO	80134-5641
By The Rio, LLC	N	1101213	(303) 840-1500	12987 S PARKER RD	PARKER	CO	80134-3447
By The Rio, LLC	N	1101191	(719) 544-9618	102 S SANTA FE AVE	PUEBLO	CO	81003-4219

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
By The Rio, LLC	N	1101192	(719) 543-0606	915 W US HIGHWAY 50	PUEBLO	CO	81008-1606
By The Rio, LLC	N	1101692	(719) 566-7958	1759 S PUEBLO BLVD	PUEBLO	CO	81005-2103
By The Rio, LLC	N	1101622	(719) 547-9991	72 N MCCULLOCH BLVD	PUEBLO WEST	CO	81007-4444
By The Rio, LLC	N	1101780	(303) 761-9005	4080 RIVER POINT PKWY	SHERIDAN	CO	80110-3316
By The Rio, LLC	N	1101606	(303) 255-2062	4211 E 104TH AVE	THORNTON	CO	80233-4443
By The Rio, LLC	N	1101188	(719) 738-1002	700 S MAIN ST	WALSENBURG	CO	81089-2138
By The Rio, LLC	N	1101602	(303) 255-1833	13630 ORCHARD PKWY	WESTMINSTER	CO	80023-9254
Merrill Financial Corporation	N	1101094	(808) 848-0480	2140 NO. NIMITZ HIGHWAY	HONOLULU	HI	96819-2218
Merrill Maui Ventures, LLC	Y	1101356	(808) 249-0787	15 KAPOLI STREET	WAILUKU	HI	96793-5925
Greenstar Foods, LLC	N	1101208	(208) 658-7746	493 N. MILWAUKEE ST	BOISE	ID	83704-9140
Greenstar Foods, LLC	N	1102240	(208) 345-1187	1700 W STATE ST	BOISE	ID	83702
Greenstar Foods, LLC	N	1101518	(208) 321-0597	1609 ENTERTAINMENT AVE	BOISE	ID	83709-8307
Greenstar Foods, LLC	N	1101371	(208) 455-2435	611 N 10TH AVE	CALDWELL	ID	83605-2927
CJ Star, LLC	N	1102871	(208) 665-2342	216 W. APPLEWAY AVE.	COEUR D'ALENE	ID	83814
CJ Star, LLC	N	1101580	(208) 939-8916	3004 E STATE ST	EAGLE	ID	83616-6230
FrancieCo., L.P.	N	1101554	(208) 434-8783	260 CENTENNIAL DR	HEYBURN	ID	83336-9707
Snow Star LP	N	1101909	(208) 522-1799	1115 NORTHGATE MILE	IDAHO FALLS	ID	83401-2010
Snow Star LP	N	1102140	(208) 523-4566	805 W BROADWAY ST	IDAHO FALLS	ID	83402
CJ Twin, LLC	N	1102728	(208) 324-8232	2700 LINCOLN AVENUE	JEROME	ID	83338
Greenstar Foods, LLC	N	1101407	(208) 855-2370	1320 N EAGLE RD	MERIDIAN	ID	83642-2392

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Greenstar Foods, LLC	N	1102241	(208) 884-2149	1815 S MERIDIAN RD	MERIDIAN	ID	83642
Greenstar Foods, LLC	N	1101365	(208) 461-1991	2034 CALDWELL BLVD	NAMPA	ID	83651-1508
Greenstar Foods, LLC	N	1101782	(208) 466-9471	1212 12TH AVE ROAD	NAMPA	ID	83686-6006
Snow Star LP	N	1102141	(208) 233-2321	1042 YELLOWSTONE AVE	POCATELLO	ID	83201
FrancieCo., L.P.	N	1101869	(208) 773-4479	4208 W EXPO PKWY	POST FALLS	ID	83854-7323
CJ Twin, LLC	N	1102672	(208) 736-1849	292 BLUE LAKES BLVD N.	TWIN FALLS	ID	83301
FrancieCo., L.P.	N	1103050	(318) 761-7861	I-49 @ Hwy 1 NEC	Shreveport	LA	71107
FrancieCo., L.P.	N	1103136		I-80 & HWY 766, EXIT 280 - NEC	Carlin	NV	89822
Reno Star, LLC	N	1103109	(775) 883 - 2277	1250 S. CARSON ST	CARSON CITY	NV	89701
FrancieCo., L.P.	N	1102517	(775) 289-3240	1701 GREAT BASIN ROAD	ELY	NV	89301
BTO Investments	N	1101835	(702) 737-6394	340 W LAKE MEAD PKWY	HENDERSON	NV	89015-7379
BTO Investments	N	1102535	(702) 580-4673	146 N STEPHANIE ST	HENDERSON	NV	89074
BTO Investments	N	1103099	(702) 932-2836	3520 Volunteer Blvd.	HENDERSON	NV	89044
BTO Investments	N	1100291	(702) 731-5500	2380 E FLAMINGO RD	LAS VEGAS	NV	89119-5106
BTO Investments	N	1100752	(702) 458-3537	4606 E. TROPICANA AVENUE	LAS VEGAS	NV	89121-6723
BTO Investments	N	1100755	(702) 647-1413	1991 N. DECATUR	LAS VEGAS	NV	89108-2205
BTO Investments	N	1100757	(702) 363-2944	150 S. RAINBOW	LAS VEGAS	NV	89145-5304
BTO Investments	N	1100759	(702) 459-7877	5091 E BONANZA RD	LAS VEGAS	NV	89110-3514
BTO Investments	N	1100760	(702) 369-7061	1180 E. DESERT INN ROAD	LAS VEGAS	NV	89109-2812
BTO Investments	N	1100859	(702) 641-9754	2350 SO NELLIS BLVD	LAS VEGAS	NV	89104-6236

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
BTO Investments	N	1100874	(702) 367-7181	6960 W TROPICANA AVE	LAS VEGAS	NV	89147-5198
BTO Investments	N	1101024	(702) 645-8778	3189 N. RAINBOW BLVD	LAS VEGAS	NV	89108-4578
BTO Investments	N	1101072	(702) 656-1133	4901 WEST CRAIG ROAD	LAS VEGAS	NV	89130-2730
BTO Investments	N	1101083	(702) 873-7115	3866 W SAHARA	LAS VEGAS	NV	89102-0505
BTO Investments	N	1101589	(702) 896-2027	2205 E RICHMAR AVE	LAS VEGAS	NV	89123-7991
BTO Investments	N	1101701	(702) 736-3994	5795 S EASTERN AVE	LAS VEGAS	NV	89119-3007
BTO Investments	N	1101703	(702) 263-1856	4970 BLUE DIAMOND RD	LAS VEGAS	NV	89139-7607
BTO Investments	N	1101820	(702) 269-5906	7125 S RAINBOW BLVD	LAS VEGAS	NV	89118-3265
BTO Investments	N	1101830	(702) 293-2230	6949 N DURANGO DR	LAS VEGAS	NV	89148
BTO Investments	N	1101834	(702) 228-2114	7598 VEGAS DR	LAS VEGAS	NV	89128-0707
Host International, Inc.	N	1102033	(702) 261-1367	5757 WAYNE NEWTON BLVD, TERMINAL 3	LAS VEGAS	NV	89111
BTO Investments	N	1101704	(702) 399-9671	2670 E CRAIG RD	NORTH LAS VEGAS	NV	89030-3399
BTO Investments	N	1101807	(702) 633-5576	6524 N LOSEE RD	NORTH LAS VEGAS	NV	89086-1001
BTO Investments	N	1101814	(702) 399-1023	1440 W CHEYENNE AVE	NORTH LAS VEGAS	NV	89030-7806
BTO Investments	N	1102340	(702) 633-6681	2650 NATURE PARK DRIVE	NORTH LAS VEGAS	NV	89084
Michael Razipour, Morey Mirkazemi, Gloria Locsin	N	1101763	(310) 678-5172	500 S HIGHWAY 160	PAHRUMP	NV	89048-3411
Michael Razipour, Morey Mirkazemi, Gloria Locsin	N	1100578	(702) 874-0025	32140 LAS VEGAS BLVD S	PRIMM	NV	89019-7026
Reno Star, LLC	N	1101176	(775) 746-0336	10170 N MCCARRAN BLVD	RENO	NV	89503-6844
Reno Star, LLC	N	1100795	(775) 825-2225	5880 S VIRGINIA ST	RENO	NV	89502-6023

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Reno Star, LLC	N	1100797	(775) 322-3277	1195 KIETZKE LN	RENO	NV	89502-2713
Reno Star, LLC	N	1100798	(775) 359-1307	1801 SILVERADA BLVD	RENO	NV	89512-2128
Reno Star, LLC	N	1101413	(775) 852-7633	85 DAMONTE RANCH PKWY	RENO	NV	89521-2996
Reno Star, LLC	N	1101177	(775) 355-1119	1400 E PRATER WAY	SPARKS	NV	89434-8961
FrancieCo., L.P.	N	1102820	(775) 375-3070	3550 WINNEMUCCA BLVD.	WINNEMUCCA	NV	89445
Horizon AHM, LLC	N	1102094	(575) 437-2477	829 S WHITE SANDS BLVD	ALAMOGORDO	NM	88310
FrancieCo., L.P.	N	1102348	(505) 831-5506	12605 CENTRAL AVENUE	ALBUQUERQUE	NM	87121
Wiles' Restaurants, Inc.	N	1101316	(505) 296-6564	1312 EUBANK AVE NE	ALBUQUERQUE	NM	87112-5316
Wiles' Restaurants, Inc.	N	1101378	(505) 858-0400	5511 ALAMEDA BLVD NE	ALBUQUERQUE	NM	87113-2178
Wiles' Restaurants, Inc.	N	1101585	(505) 352-5111	6700 CENTRAL AVE SW	ALBUQUERQUE	NM	87121-2049
Wiles' Restaurants, Inc.	N	1101594	(505) 243-0170	800 BROADWAY BLVD NE #B	ALBUQUERQUE	NM	87102-2322
Dowling Enterprises, Inc.	N	1102465	(505) 326-9141	2300 E MAIN ST	FARMINGTON	NM	87401
Dowling Enterprises, Inc.	N	1101544	(505) 863-8129	1590 W MALONEY AVE	GALLUP	NM	87301-5396
Horizon AHM, LLC	N	1102784	(575) 382-2018	3965 BATAAN MEMORIAL WEST	LAS CRUCES	NM	88012
Wiles' Restaurants, Inc.	N	1101514	(505) 865-5581	2600 MAIN ST NW	LOS LUNAS	NM	87031-4870
Wiles' Restaurants, Inc.	N	1101719	(505) 891-3443	751 UNSER BLVD SE	RIO RANCHO	NM	87124-6369
Greenberg, David and Miriam	N	1101207	(505) 471-7794	1640 ST MICHAELS DR	SANTA FE	NM	87505-7712
FrancieCo., L.P.	N	1101220	(575) 472-1169	1028 STATE HIGHWAY 156	SANTA ROSA	NM	88435-2787
OK Restaurant Holdings, LLC	N	1101647	(580) 223-8822	1608 N COMMERCE	ARDMORE	OK	73401-1840
FrancieCo., L.P.	N	1102678	(918) 783-5300	437071 E 310 ROAD	BIG CABIN	OK	74332

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OK Restaurant Holdings, LLC	Y	1101675	(918) 342-2545	611 W PATTI PAGE	CLAREMORE	OK	74017-7846
OK Restaurant Holdings, LLC	Y	1101676	(580) 255-4445	1235 N HIGHWAY 81	DUNCAN	OK	73533-1719
OK Restaurant Holdings, LLC	Y	1101658	(580) 225-7631	1802 W 3RD ST	ELK CITY	OK	73644-5146
FrancieCo., L.P.	N	1102710	(405) 422-1904	3900 S RADIO RD	EL RENO	OK	73036
FrancieCo., L.P.	N	1102391	(580) 237-1905	4104 E RANDOLPH	ENID	OK	73701
FrancieCo., L.P.	N	1102432	(405) 260-4566	2700 E HIGHWAY 33	GUTHRIE	OK	73044
OK Restaurant Holdings, LLC	N	1101710	(405) 895-6262	651 SW 19TH ST	MOORE	OK	73160-5439
OK Restaurant Holdings, LLC	N	1101663	(405) 364-9745	1101 24TH AVE NW	NORMAN	OK	73069-6364
OK Restaurant Holdings, LLC	N	1101651	(405) 942-6013	4001 N PORTLAND AVE	OKLAHOMA CITY	OK	73112-6368
OK Restaurant Holdings, LLC	N	1101770	(405) 470-2809	13424 N MACARTHUR BLVD	OKLAHOMA CITY	OK	73142
OK Restaurant Holdings, LLC	N	1101653	(405) 632-7261	841 SW 89TH ST	OKLAHOMA CITY	OK	73139-9333
OK Restaurant Holdings, LLC	N	1101660	(405) 528-1720	112 NW 23RD ST	OKLAHOMA CITY	OK	73103-4307
FrancieCo., L.P.	N	1102903	(918) 758-4363	1300 N WOOD AVENUE, OKMULGEE, OK	OKMULGEE	OK	74447
OK Restaurant Holdings, LLC	Y	1101673	(918) 825-2611	201 S MILL ST	PRYOR	OK	74361-5221
OK Restaurant Holdings, LLC	N	1101230	(405) 527-9595	503 W WASHINGTON ST	PURCELL	OK	73080-4034
OK Restaurant Holdings, LLC	Y	1101659	(405) 382-3166	1010 MILT PHILLIPS AVE	SEMINOLE	OK	74868-2320
OK Restaurant Holdings, LLC	N	1101649	(405) 275-2344	2333 N HARRISON	SHAWNEE	OK	74804-3134
OK Restaurant Holdings, LLC	Y	1101643	(918) 396-0308	900 W ROGERS BLVD	SKIATOOK	OK	74070-3925
OK Restaurant Holdings, LLC	N	1101665	(580) 622-3525	2104 W BROADWAY AVE	SULPHUR	OK	73086-4200
OK Restaurant Holdings, LLC	Y	1101671	(918) 664-1760	4994 E 41ST	TULSA	OK	74135-6006

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
OK Restaurant Holdings, LLC	N	1101672	(918) 445-0075	5722 S 49TH WEST AVE	TULSA	OK	74107-8819
JCK Restaurants, Inc.	N	1101069	(541) 967-3910	1109 WAVERLY DRIVE SE	ALBANY	OR	97322-6942
JCK Restaurants, Inc.	N	1101472	(541) 791-8822	300 AIRPORT RD SE	ALBANY	OR	97322-4505
KB Restaurants, LLC	N	1102545	(503) 746-5245	14495 SW TUALATIN VALLEY HIGHWAY	BEAVERTON	OR	97005
JCK Restaurants, Inc.	N	1100285	(541) 617-8556	1815 NE 3RD ST	BEND	OR	97701-3816
JCK Restaurants, Inc.	N	1100327	(541) 312-8998	1190 S HIGHWAY 97	BEND	OR	97702-2140
FrancieCo., L.P.	N	1102162	(541) 481-3160	78665 TOWER ROAD	BOARDMAN	OR	97818
KB Restaurants, LLC	N	1101571	(503) 263-2275	1463 SE AVENUE	CANBY	OR	97013-7795
KB Restaurants, LLC	N	1102947	(971) 314-0492	116 WEST BASELINE STREET	CORNELIUS	OR	97113
JCK Restaurants, Inc.	N	1101616	(541) 257-2727	800 NW 9TH ST	CORVALLIS	OR	97330-6141
JCK Restaurants, Inc.	N	1100896	(541) 942-8280	1565 GATEWAY BLVD	COTTAGE GROVE	OR	97424-1225
JCK Restaurants, Inc.	N	1101805	(541) 879-0699	78 W LINN RD	EAGLE POINT	OR	97524
JCK Restaurants, Inc.	N	1100844	(541) 485-4234	3663 W 11TH AVE	EUGENE	OR	97402-3044
JCK Restaurants, Inc.	N	1101155	(541) 461-6814	25 SILVER LANE	EUGENE	OR	97404-2214
JCK Restaurants, Inc.	N	1101377	(541) 338-8880	296 COBURG ROAD	EUGENE	OR	97401-5607
JCK Restaurants, Inc.	N	1102021	(541) 506-8646	1996 ECHO HOLLOW RD	EUGENE	OR	97402
JCK Restaurants, Inc.	N	1101962	(541) 244-1717	220 NE TERRY LN	GRANTS PASS	OR	97526
JCK Restaurants, Inc.	N	1102330	(541) 474-0649	1802 NW 6TH ST	GRANTS PASS	OR	97526
JCK Star, LLC	N	1101345	(503) 465-0607	1678 N E BURNSIDE RD	GRESHAM	OR	97030-5733
KB Restaurants, LLC	N	1101147	(541) 342-6557	10100 SE 82ND AVE	HAPPY VALLEY	OR	97086-2306

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
KB Restaurants, LLC	N	1101929	(503) 427-2055	14665 SE SUNNYSIDE RD	HAPPY VALLEY	OR	97086
KB Restaurants, LLC	N	1100026	(503) 649-3722	6653 SE TUALATIN VALLEY HWY	HILLSBORO	OR	97123-7492
KB Restaurants, LLC	N	1100154	(503) 693-6201	575 SE 10TH AVE	HILLSBORO	OR	97123-4624
KB Restaurants, LLC	N	1100589	(503) 547-0262	7120 NE CORNELL RD	HILLSBORO	OR	97124-5421
KB Restaurants, LLC	N	1100665	(503) 645-7194	2175 NW TOWN CENTER DR	HILLSBORO	OR	97006-8908
JCK Restaurants, Inc.	N	1101375	(503) 390-9227	5130 RIVER RD. N	KEIZER	OR	97303-5371
JCK Restaurants, Inc.	N	1102543	(503) 584-1673	8982 TRUCKMAN WAY NE	KEIZER	OR	97303
FrancieCo., L.P.	N	1102962	(541) 363-4499	250 Obrien Way	Klamath Falls	OR	97601
KB Restaurants, LLC	N	1101449	(503) 598-9500	17929 SW MCEWAN RD	LAKE OSWEGO	OR	97224-7203
JCK Restaurants, Inc.	N	1101562	(541) 258-5257	525 WELDWOOD DR	LEBANON	OR	97355-2569
JCK Star, LLC	N	1101711	(503) 435-1247	1285 SW BOOTH BEND RD	MCMINNVILLE	OR	97128-9730
JCK Restaurants, Inc.	N	1101178	(541) 779-0631	61 E STEWART AVE	MEDFORD	OR	97501-7924
JCK Restaurants, Inc.	N	1101783	(541) 773-5278	3060 CRATER LAKE HWY	MEDFORD	OR	97504-9102
JCK Restaurants, Inc.	N	1101840	(541) 690-1556	1136 BIDDLE RD	MEDFORD	OR	97504-6120
JCK Restaurants, Inc.	N	1102635	(503) 917-4100	131 PACIFIC HWY N	MONMOUTH	OR	97361
CJ Star, LLC	N	1101631	(541) 889-4020	1617 E IDAHO AVE	ONTARIO	OR	97914-3007
KB Restaurants, LLC	N	1101337	(503) 723-3346	19761 HIGHWAY 213	OREGON CITY	OR	97045-4192
JCK Star, LLC	N	1101112	(503) 254-1985	1403 NE 102ND AVE	PORTLAND	OR	97220-3968
KB Restaurants, LLC	N	1101114	(503) 762-2544	14836 S. E. DIVISION	PORTLAND	OR	97236-2376
KB Restaurants, LLC	N	1101760	(503) 665-9593	1762 NE 181ST AVE	PORTLAND	OR	97230-6908

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
KB Restaurants, LLC	N	1102562	(503) 477-6387	250 NE COLUMBIA BLVD	PORTLAND	OR	97211
KB Restaurants, LLC	N	1101113	(503) 788-8721	8205 S. E. RHINE	PORTLAND	OR	97266-2058
JCK Restaurants, Inc.	N	1101836	(541) 788-9437	2905 S HIGHWAY 97	REDMOND	OR	97756
JCK Restaurants, Inc.	N	1100780	(541) 673-8009	2035 STEWART PKWY	ROSEBURG	OR	97471-1648
JCK Restaurants, Inc.	N	1102926	(541) 900-6300	250 GRANT SMITH ROAD	ROSEBURG	OR	97471
JCK Restaurants, Inc.	N	1101068	(503) 391-0500	1501 LANCASTER DR. NE	SALEM	OR	97301-1963
JCK Restaurants, Inc.	N	1101156	(503) 371-4100	1135 LANCASTER DR SE	SALEM	OR	97317-5838
JCK Restaurants, Inc.	N	1101785	(503) 485-0346	1236 23RD ST SE	SALEM	OR	97302-1363
JCK Restaurants, Inc.	N	1102548	(503) 689-1176	555 EDGEWATER ST NW, STE 150	SALEM	OR	97304
JCK Restaurants, Inc.	N	1101346	(503) 362-7177	1450 BAXTER ROAD	SE SALEM	OR	97306-1148
JCK Restaurants, Inc.	N	1100867	(541) 726-9383	1900 MARCOLA ROAD	SPRINGFIELD	OR	97477-2560
JCK Restaurants, Inc.	N	1101572	(541) 747-2275	3032 GATEWAY ST	SPRINGFIELD	OR	97477-1087
KB Restaurants, LLC	N	1100316	(503) 579-8250	12140 SW SCHOLLS FERRY ROAD	TIGARD	OR	97223-3334
KB Restaurants, LLC	N	1101120	(503) 684-7076	15520 SW PACIFIC HIGHWAY	TIGARD	OR	97224-3522
KB Restaurants, LLC	N	1101880	(503) 682-8474	11433 SW PACIFIC HWY	TIGARD	OR	97223
KB Restaurants, LLC	N	1101151	(503) 691-2190	8703 S.W. TUALATIN SHERWOOD HWY	TUALATIN	OR	97062-7529
KB Restaurants, LLC	N	1102139	(503) 427-0080	25300 SW 95TH AVE	WILSONVILLE	OR	97070
JCK Restaurants, Inc.	N	1101784	(503) 980-9200	1675 MOUNT HOOD AVE	WOODBURN	OR	97071-9070
KB Restaurants, LLC	N	1101628	(503) 667-9684	22667 NE GLISAN ST	WOOD VILLAGE	OR	97060-2773
FrancieCo., L.P.	N	1102518	(979) 849-5936	2301 FM 523	ANGLETON	TX	77515

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
FrancieCo., L.P.	N	1101380	(972) 924-3934	715 S CENTRAL EXPY	ANNA	TX	75409
CW Strong Reno Austin, LLC	N	1101757	(512) 259-5159	1315 E WHITESTONE BLVD	CEDAR PARK	TX	78613-7597
FrancieCo., L.P.	N	1101351	(972) 228-1840	8800 S POLK ST	DALLAS	TX	75232-5128
Vision AHM, LLC	N	1101354	(915) 921-1504	1490 N ZARAGOZA RD	EL PASO	TX	79936-7903
Vision AHM, LLC	N	1101376	(915) 772-2943	7120 AIRPORT RD	EL PASO	TX	79906-4909
Vision AHM, LLC	N	1101382	(915) 790-9964	9071 ALAMEDA	EL PASO	TX	79907-6526
Vision AHM, LLC	N	1101552	(915) 595-0924	1898 N LEE TREVINO DR	EL PASO	TX	79936-4108
Vision AHM, LLC	N	1101745	(915) 584-4771	6031 N MESA ST	EL PASO	TX	79912-4605
Vision AHM, LLC	N	1101790	(915) 591-4250	10620 MONTANA AVE	EL PASO	TX	79935-1221
Vision AHM, LLC	N	1102556	(915) 849-5853	3510 ZARAGOZA ROAD	EL PASO	TX	79938
Vision AHM, LLC	N	1102596	(915) 821-0869	11300 MCCOMBS STREET, SUITE C	EL PASO	TX	79934
Vision AHM, LLC	N	1102636	(915) 852-1955	1305 HORIZON BLVD	EL PASO	TX	79928
Vision AHM, LLC	N	1102776	(915) 600-5830	1124 MCRAE BLVD	EL PASO	TX	79925
FrancieCo., L.P.	N	1102254	(432) 940-8700	2723 E US HWY 290	FT STOCKTON	TX	79735
FrancieCo., L.P.	N	1102503	(806) 364-4494	901 W. 1ST STREET	HEREFORD	TX	79045
FrancieCo., L.P.	N	1101566	(972) 225-3560	2500 S INTERSTATE HIGHWAY 45 RD	HUTCHINS	TX	75141-4256
FrancieCo., L.P.	N	1102389	(972) 483-1657	1021 DALE EVANS DR	ITALY	TX	76651
New Millennium Holding Group, LLC	N	1102648	(956) 602-1084	13602 FM 1472	LAREDO	TX	78045
Tahir Salim & Rana Salim	N	1102352	(432) 695-6883	5313 WEST LOOP 250 N	MIDLAND	TX	79707
FrancieCo., L.P.	N	1101360	(972) 722-3068	1990 E I30	ROCKWALL	TX	75087-6203

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
TA Operating LLC	N	1102092	(979) 732-2986	6709 US HWY 90	SEALY	TX	77474
FrancieCo., L.P.	N	1102662	(903) 438-1803	1201 S HILLCREST	SULPHUR SPRINGS	TX	75482
CEFCO	N	1102531	(575) 628-8512	16242 US HWY 271 SUITE # 300	TYLER	TX	75708
FrancieCo., L.P.	N	1101219	(903) 963-3306	1221 S OAK	VAN	TX	75790-3576
FrancieCo., L.P.	N	1101350	(210) 623-5516	11361 IH 35 S	VON ORMY	TX	78073-3138
OK Restaurant Holdings, LLC	N	1101678	(940) 855-1771	2053 LOOP 11	WICHITA FALLS	TX	76306-4919
Snow Star LP	N	1101339	(801) 492-3944	602 SOUTH 500 EAST	AMERICAN FORK	UT	84003-2530
Snow Star LP	N	1100380	(801) 294-6980	195 W 500 SOUTH	BOUNTIFUL	UT	84010-6231
Snow Star LP	N	1102552	(435) 723-7935	20 SOUTH 1550 WEST	BRIGHAM CITY	UT	84302
Snow Star LP	N	1101576	(435) 865-7407	2645 N CANYON RANCH DR	CEDAR CITY	UT	84721-5374
Snow Star LP	N	1100312	(801) 773-4406	582 N MAIN ST	CLEARFIELD	UT	84015-3236
Snow Star LP	N	1100473	(801) 774-3983	1868 W 1800 N	CLINTON	UT	84015-8325
Snow Star LP	N	1100461	(801) 569-8990	6959 S 1300 E	COTTONWOOD HEIGHTS	UT	84047-1817
Harts Gas and Food LLC	N	1102641	(435) 527-8804	259 SOUTH OLD HIGHWAY 89	ELSINORE	UT	84724
Snow Star LP	Y	1101689	(435) 743-4591	1191 N. Cedar Mountain Road	FILLMORE	UT	84631-5074
Snow Star LP	N	1102656	(435) 654-4704	669 SOUTH MAIN STREET	HEBER CITY	UT	84032
Snow Star LP	N	1100009	(801) 773-9066	925 W ANTELOPE DR	LAYTON	UT	84041-1634
Snow Star LP	N	1102210	(801) 766-6889	3536 NORTH ASHTON BLVD.	LEHI	UT	84043
Snow Star LP	N	1100279	(435) 792-4841	1390 N MAIN	LOGAN	UT	84341-2222
Snow Star LP	N	1100411	(435) 713-2102	1135 S 100 W	LOGAN	UT	84321-5573

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Snow Star LP	N	1100552	(801) 508-0057	8011 WEST 3500 SOUTH	MAGNA	UT	84044-2218
Snow Star LP	N	1100093	(801) 313-0768	151 E 5300 S	MURRAY	UT	84107-6074
Snow Star LP	N	1100016	(801) 399-9630	180 E 12TH ST	OGDEN	UT	84404-5602
Snow Star LP	N	1101146	(801) 235-9030	1331 N STATE ST	OREM	UT	84057-2662
Snow Star LP	N	1101363	(801) 370-9593	344 W 1230 N	PROVO	UT	84604-3319
Snow Star LP	N	1100371	(801) 394-1757	1155 W RIVERDALE RD UNIT A	RIVERDALE	UT	84405-3710
Snow Star LP	N	1101066	(435) 674-5622	136 RED CLIFFS DR	SAINT GEORGE	UT	84790-8199
Snow Star LP	N	1101940	(435) 673-9290	1624 W SUNSET BLVD	SAINT GEORGE	UT	84770
Harts Gas and Food LLC	N	1102020	(435) 529-2048	1659 S STATE ST	SALINA	UT	84654
Snow Star LP	N	1100021	(801) 333-3175	1726 W NORTH TEMPLE	SALT LAKE CITY	UT	84116-3043
Snow Star LP	N	1102671	(718) 975-1991	1654 S. REDWOOD RD	SALT LAKE CITY	UT	84104
Snow Star LP	N	1100207	(801) 495-3929	10475 S STATE ST	SANDY	UT	84070-4112
Snow Star LP	N	1100367	(801) 467-2767	293 W 2100 S	SOUTH SALT LAKE	UT	84115-1830
Snow Star LP	N	1102786	(801) 486-6106	16 W 3300 SOUTH	SOUTH LAKE CITY	UT	84115
Snow Star LP	N	1101408	(801) 794-9249	792 North Main	SPANISH FORK	UT	84660-1147
Snow Star LP	N	1100335	(801) 776-6482	2118 W 1700 S	SYRACUSE	UT	84075-6913
Snow Star LP	N	1102729	(801) 840-5200	3812 WEST 5400 SOUTH	TAYLORSVILLE	UT	84118
Snow Star LP	N	1100020	(435) 843-5541	1291 N MAIN ST	TOOELE	UT	84074-9842
Snow Star LP	N	1100208	(801) 260-1224	7033 PLAZA CENTER DR	WEST JORDAN	UT	84084-1762
Snow Star LP	N	1100322	(801) 352-1128	9025 S REDWOOD RD	WEST JORDAN	UT	84088-6506

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
Snow Star LP	N	1100241	(801) 973-2964	3469 S REDWOOD RD	WEST VALLEY CITY	UT	84119-3403
Snow Star LP	N	1100399	(801) 966-1606	3535 WEST 3500 SOUTH	WEST VALLEY CITY	UT	84119-2539
Snow Star LP	N	1100432	(801) 965-8888	3387 SOUTH 5600 WEST	WEST VALLEY CITY	UT	84120-1317
CJ Star, LLC	Y	1100054	(509) 455-2332	10620 W HIGHWAY 2	AIRWAY HEIGHTS	WA	99224-5059
Bens Holding Group, LLC	N	1101211	(360) 312-7779	1300 BOBLETT STREET	BLAINE	WA	98230
BG Restaurants, LLC	N	1102496	(805) 672-2889	4815 KITSAP WAY	BREMERTON	WA	98312
COWA Akash, LLC	N	1102311	(360) 899-9470	1543 S BURLINGTON BLVD	BURLINGTON	WA	98233
CJ Star, LLC	Y	1100091	(509) 559-5066	2676 FIRST ST	CHENEY	WA	99004-2030
WAMTO, LLC	N	1101979	(509) 962-4007	1303 S OPPORTUNITY ST	ELLENSBURG	WA	98926
NorthWest Foods, L.P.	N	1102497	(253) 847-2245	17802 CANYON ROAD E	FREDERICKSON	WA	98375
BG Restaurants, LLC	N	1102068	(805) 672-2889	5524 SOUNDVIEW DR	GIG HARBOR	WA	98335
WAMTO, LLC	Y	1100141	(509) 735-4135	1026 N COLORADO	KENNEWICK	WA	99336-7618
WAMTO, LLC	N	1100151	(509) 374-5222	2804 W KENNEWICK AVE	KENNEWICK	WA	99336-2926
NorthWest Foods, L.P.	N	1101732	(360) 413-0000	3816 PACIFIC AVE SE	LACEY	WA	98503-1107
NorthWest Foods, L.P.	N	1101733	(253) 584-1111	6125 MAIN ST SW	LAKEWOOD	WA	98499-6503
CJ Star, LLC	Y	1100180	(509) 926-3008	1317 N LIBERTY LAKE RD	LIBERTY LAKE	WA	99019-6014
KB Restaurants, LLC	N	1102740	(360) 353-5125	1210 OCEAN BEACH HWY	LONGVIEW	WA	98632
COWA Akash, LLC	N	1100464	(360) 651-7531	3703 116TH ST NE	MARYSVILLE	WA	98271-8423
COWA Akash, LLC	N	1102424	(360) 799-9903	19143 N KELSEY ST	MONROE	WA	98272
WAMTO, LLC	N	1102428	(509) 350-5533	1765 KITTLESON RD	MOSES LAKE	WA	98837

Franchisee	Dual Concept	Unit #	Phone #	Address	City	State	Zip
FrancieCo., L.P.	N	1101930	(360) 748-6495	1276 RUSH RD	NAPAVINE	WA	98532-8822
FrancieCo., L.P.	N	1102530	(509) 786-1295	700 WINE COUNTRY ROAD	PROSSER	WA	99350
FrancieCo., L.P.	N	1102167	(509) 659-1015	1370 N HWY 261	RITZVILLE	WA	99169
CJ Star, LLC	Y	1100146	(509) 467-3404	423 E. HASTINGS RD	SPOKANE	WA	99218-1934
CJ Star, LLC	Y	1100205	(509) 455-9303	707 W THIRD AVE	SPOKANE	WA	99201-4416
CJ Star, LLC	Y	1102578	(509) 328-0889	1230 N DIVISION ST	SPOKANE	WA	99202
CJ Star, LLC	N	1102606	(509) 328-0226	1617 W NORTHWEST BLVD	SPOKANE	WA	99205
CJ Star, LLC	Y	1100528	(509) 892-2191	13920 E SPRAGUE AVE	SPOKANE VALLEY	WA	99216-2136
NorthWest Foods, L.P.	N	1101612	(253) 460-3695	5925 6TH AVE	TACOMA	WA	98406-2015
KB Restaurants, LLC	N	1100410	(360) 574-9200	9016 NE HIGHWAY 99	VANCOUVER	WA	98665-8923
KB Restaurants, LLC	N	1100551	(360) 256-7041	7412 NE 117TH AVE	VANCOUVER	WA	98662-4705
KB Restaurants, LLC	N	1100559	(564) 233-0220	100 SE 192ND AVE., SUITE 313	VANCOUVER	WA	98683
KB Restaurants, LLC	N	1100659	(360) 891-6031	1404 SE 164TH AVE	VANCOUVER	WA	98683-9634
KB Restaurants, LLC	N	1102351	(360) 841-8089	1519 PACIFIC AVE	WOODLAND	WA	98674
WAMTO, LLC	N	1102075	(509) 895-7349	2208 S 1ST ST	YAKIMA	WA	98903
By The Rio, LLC	N	1101730	(307) 632-8541	216 E LINCOLNWAY	CHEYENNE	WY	82001-4504
FrancieCo., L.P.	N	1102963	(307) 364-9007	8901 HIGHWAY 374	Green River	WY	82935
FrancieCo., L.P.	N	1102592	(307) 742-2638	1770 NORTH MCCUE STREET	LARAMIE	WY	82072

CJR LIST OF FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT HAVE NOT YET OPENED

(as of January 26, 2026)

Franchisee	Proposed City / State
FrancieCo., L.P.	Apple Valley, CA

The following is a list of each current Carl's Jr. Developer that has entered into a Development Agreement but has not yet opened a Carl's Jr. Restaurant:

None.

EXHIBIT J

FINANCIAL STATEMENTS

CKE RESTAURANTS HOLDINGS, INC.

Consolidated Financial Statements
for the fiscal years ended January 27, 2025 and January 29, 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

The Board of Directors
CKE Restaurants Holdings, Inc.:

Opinion

We have audited the consolidated financial statements of CKE Restaurants Holdings, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal 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 the Company as of January 27, 2025 and January 29, 2024, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated 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 the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements 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 for one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' 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.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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.

KPMG LLP

Nashville, Tennessee
April 2, 2025

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except shares and par values)

	January 31, 2025	January 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,718	$ 130,566
Cash and cash equivalents - restricted	18,147	15,942
Accounts receivable, net	44,799	38,438
Inventories	3,386	3,029
Prepaid expenses	9,843	13,562
Other current assets	—	80
Total current assets	128,893	201,617
Property and equipment, net	371,065	377,436
Operating lease assets	394,542	424,719
Goodwill	539,421	539,421
Intangible assets, net	760,749	777,538
Other assets, net	39,316	40,485
Total assets	$ 2,233,986	$ 2,361,216
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,512	1,515
Current portion of operating leases	77,505	79,623
Accounts payable	24,652	23,855
Other current liabilities	67,186	71,641
Total current liabilities	182,655	188,434
Long-term debt, less current portion	1,112,394	1,108,022
Finance leases, less current portion	21,279	23,370
Operating leases, less current portion	338,608	366,233
Deferred income tax liabilities, net	159,524	171,393
Other long-term liabilities	246,968	263,631
Total liabilities	2,061,428	2,121,083
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Equity:		
Common stock, $0.01 par value; 100 shares authorized, issued and outstanding as of January 31, 2025 and 2024	—	—
Additional paid-in capital	736,970	736,438
Accumulated deficit	(564,357)	(495,148)
Accumulated other comprehensive loss	(55)	(1,157)
Total equity	172,558	240,133
Total liabilities and equity	$ 2,233,986	$ 2,361,216

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal 2025	Fiscal 2024
Revenue:		
Company-operated restaurants	$ 383,304	$ 368,842
Franchised restaurants and other	298,274	299,954
Advertising funds revenue	168,060	172,032
Total revenue	849,638	840,828
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	98,751	97,879
Payroll and other employee benefits	129,677	122,640
Occupancy and other	110,857	106,650
Total company-operated restaurants	339,285	327,169
Franchised restaurants and other	102,304	96,654
Advertising funds expense	197,885	184,744
General and administrative	121,416	118,797
Facility action charges, net	210	2,852
Total operating costs and expenses	761,100	730,216
Operating income	88,538	110,612
Interest expense	(68,902)	(62,089)
Other income, net	5,421	13,108
Income before income taxes	25,057	61,631
Income tax expense	4,266	16,502
Net income	$ 20,791	$ 45,129

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal 2025	Fiscal 2024
Net income	$ 20,791	$ 45,129
Other comprehensive income (loss):		
Foreign currency translation adjustments	(17)	(22)
Amounts reclassified to earnings for Shanghai business liquidation	1,119	—
Other comprehensive income (loss)	1,102	(22)
Comprehensive income	$ 21,893	$ 45,107

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except shares)

	CKE Restaurants Holdings, Inc. Stockholder's Equity					
	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of January 31, 2023	100	$ —	$ 734,314	$ (540,277)	$ (1,135)	$192,902
Share-based compensation	—	—	2,124	—	—	2,124
Other comprehensive loss	—	—	—	—	(22)	(22)
Net Income	—	—	—	45,129	—	45,129
Balance as of January 31, 2024	100	—	736,438	(495,148)	(1,157)	240,133
Share-based compensation	—	—	444	—	—	444
Other comprehensive income	—	—	—	—	1,102	1,102
Other loss	—	—	88	—	—	88
Cash dividends to CKE Holding Corporation	—	—	—	(90,000)	—	(90,000)
Net income	—	—	—	20,791	—	20,791
Balance as of January 31, 2025	100	$ —	$ 736,970	$ (564,357)	$ (55)	$172,558

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2025	Fiscal 2024
Cash flows from operating activities:		
Net income	$ 20,791	$ 45,129
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52,776	51,372
Amortization of deferred financing costs	3,499	3,417
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	1,283	—
Share-based compensation	444	2,124
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	(1,386)	—
Gain on refranchising transaction	—	(153)
Gain on disposal of other property and equipment	(2,635)	(602)
Deferred income taxes	(11,869)	(3,738)
Provision for losses on impairments, accounts receivable and other items, net	11,625	508
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(15,444)	(14,140)
Estimated liability for self-insurance	(1,009)	(1,253)
Accounts payable and other current and long-term liabilities	(2,264)	7,604
Operating lease asset and liabilities, net	(241)	581
Net cash provided by operating activities	55,570	90,849
Cash flows from investing activities:		
Purchases of property and equipment	(36,620)	(35,514)
Acquisitions of restaurants, net of cash received	(111)	(3,019)
Proceeds from refranchising transactions	—	2,092
Proceeds from sale of other property and equipment	8,128	2,346
Other investing activities	219	(7,346)
Net cash used in investing activities	(28,384)	(41,441)
Cash flows from financing activities:		
Net change in book overdraft	(298)	(1,472)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	(2,068)	—
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	(5,792)	—
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	(330,750)	—
Issuance of Series 2024-1 Class A-2 Notes	350,000	—
Repayments of other notes	—	(1,900)
Repayments of finance leases	(1,571)	(1,519)
Repayments of financing method sale-leaseback obligations	(10,582)	(10,164)
Cash dividends to CKE Holding Corporation	(90,000)	—
Net cash used in financing activities	(102,861)	(26,855)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	32	49
Net (decrease) increase in cash, cash equivalents and restricted cash	(75,643)	22,602
Cash, cash equivalents and restricted cash at beginning of period	146,508	123,906
Cash, cash equivalents and restricted cash at end of period	$ 70,865	$ 146,508

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CKE Restaurants Holdings, Inc. ("CKE Restaurants") is not a franchisor and conducts substantially all of its restaurant activities and operations through its subsidiaries. Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. References to "we", "us", "our" and the "Company" may relate to CKE Restaurants and/or its subsidiaries, as may be applicable.

Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2025, our system-wide restaurant portfolio consisted of:

Company-operated	252
Domestic franchised	2,351
International franchised	1,160
Total restaurants	3,763

Basis of Presentation and Fiscal Year

Our accompanying Consolidated Financial Statements include the accounts of CKE Restaurants, its consolidated subsidiaries and its consolidated variable interest entities ("VIEs"). CKE Restaurants does not have any non-controlling interests in other entities. These Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The fiscal year ended January 29, 2024 is referred to herein as fiscal 2024 or the fiscal year ended January 31, 2024. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2025 and January 31, 2024. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

Hardee's Funds consideration

We consolidate the Hardee's National Advertising Fund ("HNAF") and approximately 73 Hardee's local co-operative advertising funds ("Hardee's Co-ops") (collectively, the "Hardee's Funds") since we have determined that the Hardee's Funds are VIEs and that we are the primary beneficiary. We considered a variety of factors in identifying the primary beneficiary of the Hardee's Funds including, but not limited to, who holds the power to direct the activities that most significantly impact the economic performance of the Hardee's Funds, as well as what party has the obligation to absorb any losses of the Hardee's Funds. Based upon these considerations, we concluded that we are the primary beneficiary.

The Hardee's Co-ops are consolidated as of December 31, 2024. Any potential difference between the calendar year presentation and our fiscal year calendar is not considered material to the Consolidated Financial Statements. We have included $26,600 and $28,066 of total assets and total liabilities and equity related to Hardee's Funds in our accompanying Consolidated Balance Sheets as of January 31, 2025 and 2024, respectively. We have no rights to the assets, other than those disclosed above, nor do we have any obligation with respect to the liabilities, of the Hardee's Funds, and none of our assets serve as collateral for the creditors of these VIEs.

Franchisee consideration

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a VIE.

Shanghai Business

The Shanghai, China business ("Shanghai business") was established for the purpose of locating, developing and operating Carl's Jr. restaurants within the municipality of Shanghai, China and certain nearby provinces. During the fiscal year ended January 31, 2023, the Company closed all restaurants operated by our Shanghai business. During the fiscal year ended January 31, 2025, the Company liquidated the Shanghai business.

Estimations

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, goodwill, finance lease assets and operating lease assets;
- estimation, using actuarially determined methods, of our self-insured claim losses under our workers' compensation, general liability and auto liability insurance programs;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods;
- estimation of the appropriate allowances associated with franchise and other receivables;
- determination of the appropriate assumptions to estimate gift card breakage;

- determination of the appropriate assumptions to estimate the fair value of share-based compensation; and
- estimation of our deferred income tax asset valuation allowance, liabilities related to uncertain tax positions and effective tax rate.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $18,147 and $15,942 as of January 31, 2025 and 2024, respectively, consisted of cash and cash equivalents that are held by the trustee of our Series 2018-1 Senior Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets

Goodwill represents the excess, if any, of the purchase price over the fair value of identifiable net assets acquired in an acquisition. As of January 31, 2025, our goodwill balance primarily consisted of goodwill recorded in connection with the acquisition of CKE Inc., the Company's sole stockholder, that occurred on December 24, 2013. Goodwill may also be recorded in connection with the acquisition of restaurants from franchisees.

We test goodwill for impairment on an annual basis, or more frequently if events and/or circumstances indicate that goodwill might be impaired. The impairment test is performed at the reporting unit level, and an impairment loss is recognized to the extent that the carrying amount of the reporting unit exceeds its fair value. We consider our reporting units to be company-operated restaurants, domestic franchised restaurants and international franchised restaurants as the components (e.g., restaurants) within each reporting unit have similar economic characteristics, including products and services, production processes, types or classes of customers and distribution methods.

We perform our annual goodwill impairment test on the last day of the first accounting period in our fiscal fourth quarter, which was December 2, 2024 for fiscal 2025. In accordance with authoritative guidance, we first assess qualitative factors to determine whether it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we then conduct a single-step quantitative goodwill impairment test, consisting of a comparison of the fair values of the reporting units to the carrying values of the reporting units. If the carrying value of a reporting unit exceeds its fair value, then an impairment charge will be recognized for the amount by which the carrying value exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we sell restaurants to franchisees, we remove the related goodwill, which is based on the relative fair value of the restaurants sold and the reporting unit as a whole, from our company-operated restaurants reporting unit. A portion of the goodwill, representing the cash flows disposed, is included in the carrying amount of the restaurants in determining the gain or loss on refranchising. The portion of the goodwill disposed is generally based on the price paid to the Company to acquire the restaurants in relation to the fair value of the reporting unit as a whole. The fair value of the reporting unit is based upon the price a willing buyer would pay for the reporting unit. The remaining goodwill related to the divested restaurants, which is attributable to retained cash flows, is transferred from our company-operated restaurants reporting unit to our domestic franchised restaurants reporting unit.

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Consolidated Balance Sheets. As of January 31, 2025 and 2024, our book overdraft liability was $118 and $416, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Consolidated Statements of Cash Flows.

Self-Insurance

We are self-insured for a portion of losses related to workers' compensation, general liability and auto liability claims. We establish liabilities for self-insurance, with the assistance of actuaries, using assumptions based on the average historical losses on claims we have incurred, actuarial observations of historical claim loss development and actuarial estimates of unpaid losses for each loss category. Our workers' compensation, general liability and auto liability claims are discounted using an estimated risk-free interest rate of 3.5% as of January 31, 2025. As of January 31, 2025 and 2024, our estimated liability for self-insurance was $12,134 and $13,113, respectively.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees, and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Advertising funds revenue includes contributions to HNAF, Hardee's Co-ops, the Carl's Jr. national advertising fund (the "Carl's Jr. Fund") and certain international advertising funds (collectively, the "Advertising Funds") by franchisees. Revenue related to these contributions is based on a percentage of sales of the franchised restaurants and is recognized as earned.

Our company-operated restaurants and franchised restaurants sell gift cards within the restaurants and through independent retailers that are redeemable for products in our Carl's Jr. and Hardee's restaurants. The Company manages the gift card program for the domestic system and collects all funds from the activation of gift cards. We recognize revenue when cards are redeemed in our company-operated restaurants and reimburse franchisees for the redemption of gift cards in their

restaurants. A liability for unredeemed gift cards is included in other current liabilities in our accompanying Consolidated Balance Sheets (see Note 7).

There are no expiration dates on our gift cards, and we do not charge any service fees. While our company-operated restaurants and franchisees continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain cards due to long periods of inactivity. In these circumstances, we may recognize income from unredeemed gift cards ("breakage revenue") if they are not subject to unclaimed property laws. Breakage revenue on all Carl's Jr. and Hardee's gift cards is estimated and recognized over time in proportion to actual gift card redemptions, based on historical redemption rates. We account for breakage revenue in franchised restaurants and other revenue in our accompanying Consolidated Statement of Operations (see Note 15).

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses, and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, advertising, franchise fees, and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, invoking personal guarantees, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Company-operated and franchised restaurants jointly share in the cost of various advertising and marketing programs. Advertising and marketing contributions for both company-operated and franchised restaurants are generally determined based on a percentage of revenue and contributed to the applicable funds ratably throughout the year. We administer internally the Carl's Jr. Fund advertising and marketing programs, certain international advertising funds and HNAF. A third party administers the Hardee's Co-ops.

Advertising costs for company-operated restaurants' contributions to the Advertising Funds is eliminated in consolidation. Advertising contributions by company-operated restaurants totaled $19,626 and $18,735 for fiscal 2025 and fiscal 2024, respectively. The cost of local and incremental advertising that is not funded by the Advertising Funds is expensed as incurred.

Share-Based Compensation

We issue equity-based awards to our executive management team, certain key employees, and directors under our equity-based compensation plans. Under the fair value recognition provisions of the authoritative guidance for equity-based compensation awards, we measure the fair value of equity-based awards at the grant date and the fair value is recognized as expense over the requisite service period.

Our equity-based compensation structure includes both time vesting and performance vesting profit sharing interests. We recognize compensation expense relating to time vesting profit sharing interests ratably over the requisite service period for the entire award. Performance vesting profit sharing interests vest through meeting performance and service conditions. We record compensation expense for performance vesting profit sharing interests when we deem the achievement of the performance goals to be probable. We recognize compensation expense for each separately vesting portion of performance vesting profit sharing interests ratably over the requisite service period that is determined to be the most likely outcome. We

record reversals of share-based compensation expense for forfeitures as they occur. Our share-based compensation structure is described more fully in Note 17.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Consolidated Statements of Operations as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. As discussed within the section "Goodwill and Intangible Assets" in this Note 1, we include goodwill in the carrying amount of the restaurants in determining the gain or loss on disposal. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2025	2024
Deferred franchise fees, beginning of year	$ 35,941	$ 35,942
Revenue recognized during the period	(5,395)	(4,917)
New deferrals due to cash received	3,798	4,916
Deferred franchise fees, end of year	$ 34,344	$ 35,941

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2026	$ 3,340
2027	2,961
2028	2,815
2029	2,693
2030	2,551
Thereafter	19,984
Total estimated future amortization income	$ 34,344

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2025 and January 31, 2024, respectively.

Income Taxes

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation ("CKE"). For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions.

Our current provision for income taxes is based on our estimated taxable income in each of the jurisdictions in which we operate, after considering the impact on our taxable income of temporary differences resulting from disparate treatment of items, such as depreciation, interest expense, advertising funds, sale-leaseback transactions, various reserves, tax credits and net operating losses ("NOL"), for tax and financial reporting purposes. We record deferred income taxes for the estimated future income tax effect of temporary differences between the financial and tax bases of assets and liabilities using the asset and liability method. Deferred income tax assets are also recorded for NOL and income tax credit carryforwards. A valuation allowance to reduce the carrying amount of deferred income tax assets is established when it is more likely than not that we will

not realize some portion or all of the tax benefit of our deferred income tax assets. We evaluate, on a quarterly basis, whether it is more likely than not that our deferred income tax assets are realizable. In performing this analysis, we consider all available evidence, both positive and negative, including historical operating results, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards and potential tax planning strategies that may be employed to prevent NOL or tax credit carryforwards from expiring unused. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

From time to time, we may take positions in filing our income tax returns that differ from the treatment of the same items for financial reporting purposes. The ultimate outcome of these items will not be known until the Internal Revenue Service, or similar state taxing authority, has completed its examination or until the statute of limitations has expired.

We maintain a liability for underpayment of income taxes and related interest and penalties, if any, related to uncertain income tax positions. The tax benefit from an uncertain tax position is recognized either upon the expiration of the statutory audit period or when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Our policy on the classification of interest and penalties related to the underpayment of income taxes and uncertain tax positions is to record interest in interest expense, and to record penalties, if any, in general and administrative expense, in our accompanying Consolidated Statements of Operations. Accrued interest and penalties are included in our liability for uncertain tax positions.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Foreign Currency

The functional currency of our foreign entities is the currency of the primary economic environment in which the entity operates. Functional currency determinations are made based upon a number of economic factors, including but not limited to cash flows and financing transactions. The operations, assets and liabilities of our entities outside the United States are initially measured using the functional currency of that entity. The income and expense accounts are then translated into U.S. dollars at the average exchange rates prevailing during the period. The assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date.

Comprehensive Income

We present comprehensive income in our accompanying Consolidated Statements of Comprehensive Income. Comprehensive income includes, in addition to net income, changes in equity that are excluded from our Consolidated Statements of Operations and are recorded directly into a separate section of equity on our Consolidated Balance Sheets. Accumulated other comprehensive income is comprised of foreign currency translation adjustments attributable to CKE Restaurants Holdings, Inc. and the Shanghai business liquidation in fiscal year 2025.

Subsequent Events

We have evaluated subsequent events through April 2, 2025, the date our Consolidated Financial Statements were available to be issued. We concluded that no subsequent events required disclosure in these financial statements.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Trade receivables	$ 45,755	$ 37,850
Leases receivable	217	180
Taxes receivable	964	24
Notes receivable	2,542	2,759
Allowance for credit losses	(4,679)	(2,375)
Total accounts receivable, net	$ 44,799	$ 38,438

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2025	Fiscal 2024
Allowance for credit losses, beginning of year	$ 2,375	$ 2,033
Provision	3,246	2,133
Recoveries	(526)	(894)
Charge-offs	(416)	(897)
Allowance for credit losses, end of year	$ 4,679	$ 2,375

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2025 and 2024:

	Estimated Useful Life	2025	2024
Land	Indefinite	$ 190,599	$ 192,390
Leasehold improvements	3-25 years	115,242	105,359
Buildings and improvements	3-40 years	171,355	191,141
Equipment, furniture and fixtures	3-8 years	160,079	140,630
Finance leases	5-33 years	15,173	18,174
		652,448	647,694
Less accumulated depreciation and amortization[(1)]		(281,383)	(270,258)
Total property and equipment, net		$ 371,065	$ 377,436

(1) The accumulated amortization related to finance leases was $1,195 and $333 as of January 31, 2025 and 2024, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2025 and 2024 was $36,183 and $36,202, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

Acquisition of Restaurants

During the fiscal year ended January 31, 2025, we purchased one Carl's Jr. restaurant from a franchisee for the purchase price of $111. During the fiscal year ended January 31, 2024, we purchased nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees for purchase price consideration of $3,342, which in combination with certain assets subject to pre-existing relations with these franchisees, results in aggregate consideration transferred for $3,438. As a result of these transactions, we recorded the following:

	Fiscal 2025	Fiscal 2024
Net working capital	$ 5	$ 55
Property and equipment	106	12,281
Operating lease assets	—	5,048
Reacquired franchise rights	—	1,810
Operating leases	—	(5,048)
Finance leases	—	(10,708)
Net assets acquired and liabilities assumed	$ 111	$ 3,438

The acquisitions result in no goodwill. Legal, travel and other expenses related to these acquisitions for fiscal 2025 and 2024 were $101 and $1,075, respectively, which are included in general and administrative expense in the Consolidated Statements of Operations.

Refranchising Transaction

During fiscal 2024, we sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,267 and disposed of its allocated goodwill of $662. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $153, which is included in facility action charges, net, in our

accompanying Consolidated Statements of Operations. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS, NET

During the fourth quarter of fiscal 2025 and 2024, we performed our annual impairment tests for goodwill and indefinite-lived intangible assets using a qualitative approach and determined that it is more likely than not that the fair value is greater than the carrying value. Accordingly, no impairment losses were recorded in fiscal 2025 or 2024.

The table below presents our intangible assets as of January 31, 2025 and 2024:

		2025			2024		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(176,641)	145,024	321,665	(160,157)	161,508
Favorable lease agreements	17	5,429	(4,104)	1,325	5,875	(4,245)	1,630
Total intangible assets		$ 941,494	$ (180,745)	$ 760,749	$ 941,940	$ (164,402)	$ 777,538

Amortization expense related to these intangible assets for fiscal 2025 and 2024 was $16,789 and $17,302, respectively. Our estimated future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2026	$ 16,611
2027	16,532
2028	16,333
2029	16,273
2030	16,245
Thereafter	64,355
Total estimated future amortization expense	$ 146,349

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Income taxes payable	$ 13,131	$ 13,955
Financing method sale-leaseback liability, current portion	11,658	11,287
Salaries, wages and other benefits	10,627	15,610
Accrued interest	6,358	5,663
Accrued property taxes	4,321	3,089
Estimated liability for self-insurance, current portion	3,577	3,545
Deferred franchise and development fees	3,340	3,454
Gift card and gift certificate liabilities	3,145	4,479
State sales tax	1,670	2,017
Utilities	992	1,004
Other accrued liabilities	8,367	7,538
Total other current liabilities	$ 67,186	$ 71,641

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Class A-2 Notes:		
4.959% Series 2018-1 Class A-2-II Notes, repaid in April 2024	$ —	$ 331,625
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	234,375	236,875
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	384,000	388,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	173,700	175,500
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	347,375	—
Unamortized deferred financing costs on Senior Notes	(15,256)	(12,178)
Total debt, net	1,124,194	1,119,822
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,112,394	$ 1,108,022

As of January 31, 2025, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2026	$ 11,800
2027	11,800
2028	383,800
2029	398,675
2030	3,500
Thereafter	329,875
Total long-term debt	$ 1,139,450

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the "Co- Issuers"), our indirect wholly-owned subsidiaries, issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the "Indenture") allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2025, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the "Class A-2 Notes").

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and extend the maturity date to March 2029, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2025, the Co-Issuers had zero outstanding loan borrowings, $24,245 of outstanding letters of credit and remaining availability of $100,755 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the Co-Issuers and their subsidiaries and immediate holding companies (collectively, the "CKE Securitization Entities"), but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect that the Co-Issuers will repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that the Co-Issuers do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. The Co-Issuers may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to

the anticipated repayment date for the Series 2024-1 Class A-2 Notes, the Co-Issuers may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, the Co-Issuers completed a refinancing transaction (the "Series 2024-1 Refinancing") under which the Co-Issuers issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full the Co-Issuer's outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, the Company recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Consolidated Statements of Operations.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Consolidated Statements of Operations using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Other Notes

In connection with the acquisition of Hardee's restaurants from a franchisee, we assumed a $2,100 unsecured note. On November 20, 2020, we paid down $200. On July 25, 2023, we paid down the remaining $1,900.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Series 2018-1 Class A-2-III Notes	$ 16,386	$ 30,013
Series 2020-1 Class A-2 Notes	15,303	15,466
Series 2021-1 Class A-2 Notes	4,981	5,034
Series 2024-1 Class A-2 Notes	20,593	—
Amortization of deferred financing costs	3,499	3,417
Finance leases	1,379	1,318
Financing method sale-leaseback obligations (see Note 10)	5,363	5,793
Letter of credit fees, commitment fees and other	1,398	1,048
Total interest expense	$ 68,902	$ 62,089

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2025 and 2024 are as follows:

	2025	2024
Land	$ 99,835	$ 104,028
Leasehold improvements	3,253	3,916
Buildings and improvements	65,883	68,563
	168,971	176,507
Less accumulated depreciation and amortization	(55,096)	(57,231)
Total assets leased to others	$ 113,875	$ 119,276

The components of lease income for January 31, 2025 and 2024 are as follows:

	2025	2024
Rent revenue:		
Minimum rent revenue	$ 86,996	$ 90,450
Variable lease payments	5,713	6,700
Total rent revenue	$ 92,709	$ 97,150

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Consolidated Balance Sheets. As of January 31, 2025, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2026	$ 366	$ 75,885	$ 7,719
2027	359	68,404	7,764
2028	347	60,546	7,441
2029	254	49,805	6,752
2030	218	39,494	6,485
Thereafter	2,741	98,112	38,093
Total future minimum lease and sublease rent revenue	4,285	$ 392,246	$ 74,254
Unearned interest income	(1,315)		
Present value of leases receivable	2,970		
Less current portion	(217)		
Leases receivable, less current portion	$ 2,753		

Company as Lessee

The components of lease cost for January 31, 2025 and are as follows:

	Fiscal 2025	Fiscal 2024
Finance lease cost:		
Amortization of finance lease assets	$ 1,339	$ 1,596
Interest on finance lease liabilities	1,670	1,572
Variable lease cost	9	2
Total finance lease cost	3,018	3,170
Operating lease cost	88,491	92,340
Variable lease cost	1,593	1,854
Total operating lease cost	90,084	94,194
Total lease cost	$ 93,102	$ 97,364

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2025 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2026	$ 1,593	$ 1,304	$ 16,542	$ 69,475
2027	1,617	1,245	15,644	61,728
2028	1,631	1,190	14,576	53,511
2029	1,642	1,049	12,897	42,803
2030	1,678	977	9,490	32,354
Thereafter	14,464	3,766	42,393	88,309
Total minimum lease payments	22,625	9,531	111,542	348,180
Less amount representing interest	(6,913)	(2,452)	(11,802)	(31,807)
Present value of minimum lease payments	15,712	7,079	99,740	316,373
Less current portion	(726)	(786)	(14,291)	(63,214)
Lease obligations, less current portion	$ 14,986	$ 6,293	$ 85,449	$ 253,159

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2025	Fiscal 2024
Rent revenue:		
Minimum rent revenue	$ 86,996	$ 90,450
Variable lease payments	5,713	6,700
Total rent revenue	92,709	97,150
Rent expense:		
Operating lease cost	(88,491)	(92,340)
Variable lease cost	(1,593)	(1,854)
Total operating lease cost	(90,084)	(94,194)
Net rent income	$ 2,625	$ 2,956

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2025	2024
Finance leases	12.28 years	12.11 years
Operating leases	7.25 years	7.67 years

Weighted-average discount rate:

	2025	2024
Finance leases	6.2 %	6.5 %
Operating leases	2.6 %	2.4 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

We currently have entered into agreements with independent third parties under which we sold and leased back a total of 125 restaurant properties. The initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Consolidated Balance Sheets was $113,775 and $115,805 as of January 31, 2025 and 2024, respectively.

During fiscal 2025, the lease agreement for one of our restaurant properties was terminated. As we no longer have continuing involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Consolidated Statements of Operations.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2025, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2026	$ 16,074
2027	16,267
2028	17,099
2029	17,661
2030	17,666
Thereafter	48,094
Total minimum lease payments	132,861
Less amount representing interest	(26,955)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds	101,959
Financing method sale-leaseback liability	207,865
Less current portion	(11,658)
Financing method sale-leaseback liability, less current portion	$ 196,207

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, long-term portion	$ 196,207	$ 208,337
Deferred franchise and development fees	31,004	32,487
Estimated liability for self-insurance, long-term portion	8,557	9,568
Deferred beverage income	5,391	5,721
Unfavorable lease agreements	2,975	4,480
Other	2,834	3,038
Total other long-term liabilities	$ 246,968	$ 263,631

NOTE 12 — EQUITY

As of January 31, 2025 and 2024, a total of 100 shares of $0.01 par value common stock of CKE Restaurants are issued and outstanding. Each share of common stock entitles the shareholder to one vote per share and is eligible to receive dividend payments when declared. As discussed more fully in Note 8, the Indenture governing the Senior Notes includes certain covenants and restrictions that may limit CKE Restaurants' ability to declare and pay dividends. During fiscal 2025, we paid a cash dividend of $90,000 to CKE Holding Corporation, our sole stockholder. No dividends were declared and paid in fiscal 2024.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2025 and 2024:

	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ —	$ —	$ 329,928	$ 315,044
Series 2018-1 Class A-2-III Notes	232,031	227,297	234,366	222,070
Series 2020-1 Class A-2 Notes	379,552	362,842	382,905	344,350
Series 2021-1 Class A-2 Notes	171,186	154,454	172,623	146,543
Series 2024-1 Class A-2 Notes	341,425	364,858	—	—

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including goodwill, intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 1,273
Assets to be held and used (Level 3)[2]	—	1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.

(2) Represents impairment recorded for five domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	—	1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Consolidated Statements of Operations. As of January 31, 2025, the nominal value of the lease obligations under the remaining master leases' primary terms is $409,868.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2025, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $24,245, expiring at various dates through October 2025. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an interest reserve as required by the Indenture and letters of credit of $9,095, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2025, we had unconditional purchase obligations in the amount of $68,297, which consisted primarily of contracts for goods and services related to restaurant operations and contractual commitments for marketing and sponsorship arrangements. Our unconditional purchase obligations for fiscal 2026, 2027, 2028, 2029 and 2030 are estimated to be $63,623, $2,020, $1,284, $838 and $532, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of

our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2025	Fiscal 2024
Royalties	$ 190,783	$ 190,073
Rent and other occupancy	94,420	100,611
Franchise fees	5,395	4,917
Other	7,676	4,353
Total franchised restaurants and other revenue	$ 298,274	$ 299,954

Franchised restaurants and other expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Rent and other occupancy	$ 75,110	$ 78,697
Amortization of franchise agreements	16,483	16,857
Other	10,711	1,100
Total franchised restaurants and other expense	$ 102,304	$ 96,654

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2025	Fiscal 2024
Closed store expenses	$ 2,197	$ 2,219
Impairment of assets to be held and used	1,667	1,044
Impairment of assets to be disposed of	1,273	3,311
Other losses (gains), net	28	(66)
Gain on disposal of other property and equipment	(3,869)	(3,503)
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	(1,086)	—
Gain on refranchising transaction	—	(153)
Total facility action charges, net	$ 210	$ 2,852

Impairment charges recorded against property and equipment and operating lease assets of $2,940 and $4,355 were recognized in facility action charges, net in fiscal 2025 and 2024, respectively.

NOTE 17 — SHARE-BASED COMPENSATION

Share-based compensation consisted of the following:

	Fiscal 2025	Fiscal 2024
Share-based compensation related to profit sharing interests that contain performance conditions[(1)]	$ —	$ 1,168
Share-based compensation related to all other profit sharing interests[(1)]	444	956
Total share-based compensation expense	$ 444	$ 2,124

(1) During fiscal 2025 and fiscal 2024, we recorded reversals of $545 and $113, respectively, of share-based compensation expense in connection with the forfeiture of profit sharing interests.

Share-Based Compensation Arrangements

CKE Holdings LP, a limited partnership (the "Partnership") that was formed by Roark Capital Management, LLC ("Roark") and certain members of our senior management team and Board of Directors in December 2013, is CKE's sole stockholder as of January 31, 2025 and 2024. The Limited Partnership Agreement, as amended ("Limited Partnership Agreement"), allows for the issuance of profit sharing interests ("Units") in the Partnership in the form of "Class B" and "Class C" Units. The Units provide the holders a profit sharing interest in the Partnership as defined in the partnership agreement and the individual grant agreements. There are no income tax benefits associated with any of the Class B Units or Class C Units.

Time vesting Class B Units vest in four equal annual installments from the date of grant. Performance vesting Class B Units provide for vesting or conversion to a time vesting schedule upon achievement of certain financial or investment targets. Time vesting Class C Units vest in various installments as specified in the individual grant agreements, but in all instances have vesting periods no longer than five years from the date of grant. There are no unvested time vesting and performance vesting Class B Units as of January 31, 2025 and 2024.

As a result of a previous amendment to the Limited Partnership Agreement, all performance vesting Class B Units that had not vested or converted to a time vesting schedule prior to December 24, 2017, became fully vested and non-forfeitable Class B Units, subject to certain restrictions (the "Restricted Class B Performance Units"). The Restricted Class B Performance Units are only entitled to realize a profit sharing interest in the Partnership to the extent that certain future performance and/or market conditions are met. These conditions require the value generated or calculated as a result of a substantial initial public offering, change in control or cumulative cash distributions, each as defined in the Limited Partnership Agreement, to result in the achievement of a specified return to the Partnership.

During fiscal 2025, the Partnership granted 334,800 time vesting and 186,000 performance vesting Class C Units. The time vesting class C Units vest in either three, four or five equal annual installments from the dates of grant. The performance vesting Class C Units consists of either three, four or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2025 through 2029 as set forth in the grant agreements.

During fiscal 2024, the Partnership granted 502,100 time vesting and 502,100 performance vesting Class C Units. The time vesting Class C Units vest in either three or five equal annual installments from the dates of grant. The performance vesting Class C Units consist of either three or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2024 through 2030 as set forth in the grant agreements.

The following presents the time vesting and performance vesting Unit activity for fiscal 2025:

	Time Vesting Units	Performance Vesting Units	Total Units	Weighted-Average Grant Date Fair Value
Unvested Units outstanding as of January 31, 2024	731,282	743,733	1,475,015	$ 5.79
Granted Units	334,800	186,000	520,800	5.77
Forfeited Units	(498,538)	(517,633)	(1,016,171)	5.79
Vested Units	(135,386)	—	(135,386)	5.72
Unvested Units outstanding as of January 31, 2025	432,158	412,100	844,258	5.78
Vested Units outstanding as of January 31, 2025			4,991,816	

As of January 31, 2025, there was $5,076 of maximum unrecognized compensation costs for the unvested Units which have the potential for recognition over a weighted average amortization period of 2.06 years.

NOTE 18 — EMPLOYEE RETIREMENT PLAN

We sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2025 and 2024, our matching contributions to the 401(k) Plan were $702 and $630, respectively.

NOTE 19 — RELATED PARTY TRANSACTIONS

Transactions with Roark Capital Management, LLC

We have a management advisory and consulting services agreement with Roark. In exchange for advice concerning management, finance, marketing, strategic planning and other advisory and consulting services provided to us by Roark and its affiliates, Roark receives consulting fees and reimbursement of reasonable expenses. The current annual consulting fee of $3,461 is payable in equal quarterly installments and subject to an increase of three percent per year during the ten year term of the agreement. We recorded $3,358 and $3,249 of consulting fees, which are included in general and administrative expense in our accompanying Consolidated Statements of Operations for fiscal 2025 and 2024, respectively.

The management advisory and consulting services agreement also provides that Roark may earn future fees in connection with certain business acquisition transactions, an initial public offering or a change of control transaction. The management advisory and consulting services agreement includes customary exculpation and indemnification provisions in favor of Roark and its affiliates.

NOTE 20 — INCOME TAXES

Income tax expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Current:		
Federal	$ 7,282	$ 11,248
State	2,449	3,066
Foreign	6,404	5,926
	16,135	20,240
Deferred:		
Federal	(8,988)	(4,512)
State	(2,857)	714
Foreign	(24)	60
	(11,869)	(3,738)
Total income tax expense	$ 4,266	$ 16,502

The following is a reconciliation of income tax expense at the federal statutory rate of 21.0% to our income tax expense for fiscal 2025 and 2024, respectively:

	Fiscal 2025	Fiscal 2024
Income tax expense at statutory rate	$ 5,262	$ 12,942
State income taxes, net of federal income tax effect	(322)	2,986
Nondeductible share-based compensation	93	446
General business credits	(379)	(640)
Nondeductible foreign losses	2,010	230
Uncertain tax positions	(383)	591
Foreign derived intangible income deduction	(1,975)	(2,003)
Other, net	(40)	1,950
Total income tax expense	$ 4,266	$ 16,502

Deferred income tax liabilities, net consisted of the following at January 31, 2025 and 2024:

	2025	2024
Deferred income tax assets:		
Operating lease liabilities	$ 107,272	$ 115,175
Financing method sale-leaseback obligations	27,325	32,229
Interest limitation carryforward	18,511	13,345
Reserves and allowances	9,049	5,546
Franchise fees	7,767	7,803
Net operating loss carryforwards	290	4,749
Federal and state tax credits	129	4,536
Valuation allowance	(204)	(8,747)
Total deferred income tax assets	170,139	174,636
Deferred income tax liabilities:		
Goodwill and other intangible assets	(193,715)	(198,306)
Operating lease assets	(101,711)	(110,061)
Basis difference in property and equipment	(22,829)	(24,477)
Advertising funds	(5,618)	(8,234)
Other items	(5,790)	(4,951)
Total deferred income tax liabilities	(329,663)	(346,029)
Deferred income tax liabilities, net	$ (159,524)	$ (171,393)

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation. For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions. As of January 31, 2025 and 2024, our income tax payable to our corporate parent was $13,459 and $13,269, respectively. During fiscal 2025 and 2024, we did not make any income tax payments to CKE Holding Corporation and made $17,342 and $15,426 in income tax payments net of refunds directly to taxing authorities.

As of January 31, 2025 and 2024, we maintained a valuation allowance of $204 and $8,747, respectively, for a portion of our state income tax credits and certain state and foreign net operating loss NOL carryforwards because we had concluded that realization of the tax benefit of such deferred income tax assets was not more likely than not. As of fiscal 2025, we only maintain a valuation against state NOL carryforwards as state enterprise zone credits expired after fiscal 2024 and we liquidated our Shanghai entity, removing the need for a valuation allowance against foreign NOL carryforwards. In evaluating the need for a valuation allowance, we consider all available evidence, positive and negative, including cumulative historical earnings in recent years, future reversals of existing temporary differences, estimated future taxable income exclusive of reversing temporary differences on a jurisdictional basis and statutory expiration dates of NOL and income tax credit carryforwards. During fiscal 2025, we decreased our valuation allowance by $8,543.

As of January 31, 2025, we have state tax credit carryforwards of $129, that will expire, if unused, in fiscal 2043. As of January 31, 2025, we have state NOL carryforwards in the amount of approximately $24,752, which expire in varying amounts from fiscal 2026 through 2034. As of January 31, 2025, we have $81 of net deferred income tax assets related to our state NOL carryforwards, which represent our expected future tax savings from such carryforwards, after considering the impact of past ownership changes on our ability to utilize such carryforwards. The utilization of our NOL carryforwards to offset future taxable income may be subject to an annual limitation as a result of past or future ownership changes. As of January 31, 2025, we have recognized a nominal amount of deferred income tax assets associated with foreign operations.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	Fiscal 2025	Fiscal 2024
Unrecognized tax benefits, beginning of year	$ 3,347	$ 3,628
Gross increases related to tax positions taken in prior years	55	529
Gross decreases related to tax positions taken in prior years	(657)	(1,002)
Gross increases related to tax positions taken in the current year	293	478
Reductions to tax positions due to settlements with taxing authorities and lapses of statutes of limitations	(380)	(286)
Unrecognized tax benefits, end of year	$ 2,658	$ 3,347

Included in the balance of unrecognized tax benefits as of January 31, 2025, are $1,626 of tax benefits that, if recognized, would affect the effective tax rate. Also included in the balance of unrecognized tax benefits as of January 31, 2025, are $1,032 of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred income taxes, income taxes payable and valuation allowance. Amounts recorded for interest and penalties in connection with the unrecognized tax benefits noted above were not significant as of January 31, 2025 and 2024.

We believe that it is reasonably possible that decreases in unrecognized tax benefits of up to $811 may be necessary within the coming fiscal year as a result of statutes closing on such items. In addition, we believe that it is reasonably possible that our unrecognized tax benefits may increase as a result of tax positions that may be taken in fiscal 2025.

We file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. We have carried forward various state NOL and income tax credits to income tax years that remain open by statute. As a result, such NOL and income tax credit carryforwards remain subject to adjustment by the respective tax authorities. Our federal income tax returns from fiscal 2022 and subsequent years are open for examination. In addition, our state income tax returns generally have statutes of limitations ranging from three to four years from the filing date.

NOTE 21 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table presents supplemental cash flow information:

	Fiscal 2025	Fiscal 2024
Cash paid for:		
Interest, net of amounts capitalized	$ 64,857	$ 59,155
Income taxes, net of refunds received	17,342	15,426
Non-cash operating and investing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	53,737	65,610
Accrued property and equipment purchases	902	928
Accounts receivable settled in purchase price consideration	—	323
Other settlements associated with acquisition of restaurants	—	97

CKE RESTAURANTS HOLDINGS, INC.

Consolidated Financial Statements
for the fiscal years ended January 26, 2026 and January 27, 2025

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

The Board of Directors
CKE Restaurants Holdings, Inc.:

Opinion

We have audited the consolidated financial statements of CKE Restaurants Holdings, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of January 26, 2026 and January 27, 2025, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal 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 the Company as of January 26, 2026 and January 27, 2025, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated 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 the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements 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 for one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' 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.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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.

KPMG LLP

Nashville, Tennessee
April 1, 2026

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except shares and par values)

	January 31, 2026	January 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 72,399	$ 52,718
Cash and cash equivalents - restricted	17,807	18,147
Accounts receivable, net	53,902	44,799
Inventories	3,740	3,386
Prepaid expenses	6,964	9,843
Total current assets	154,812	128,893
Property and equipment, net	345,185	371,065
Operating lease assets	360,988	394,542
Goodwill	539,421	539,421
Intangible assets, net	744,186	760,749
Other assets, net	37,825	39,316
Total assets	$ 2,182,417	$ 2,233,986
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,634	1,512
Current portion of operating leases	74,362	77,505
Accounts payable	25,779	24,652
Other current liabilities	73,217	67,186
Total current liabilities	186,792	182,655
Long-term debt, less current portion	1,104,224	1,112,394
Finance leases, less current portion	21,368	21,279
Operating leases, less current portion	307,101	338,608
Deferred income tax liabilities, net	151,532	159,524
Other long-term liabilities	233,771	246,968
Total liabilities	2,004,788	2,061,428
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Equity:		
Common stock, $0.01 par value; 100 shares authorized, issued and outstanding as of January 31, 2026 and 2025	—	—
Additional paid-in capital	738,026	736,970
Accumulated deficit	(560,378)	(564,357)
Accumulated other comprehensive loss	(19)	(55)
Total equity	177,629	172,558
Total liabilities and equity	$ 2,182,417	$ 2,233,986

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal 2026	Fiscal 2025
Revenue:		
Company-operated restaurants	$ 383,328	$ 383,304
Franchised restaurants and other	290,266	298,274
Advertising funds revenue	166,645	168,060
Total revenue	840,239	849,638
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	99,726	98,751
Payroll and other employee benefits	128,295	129,677
Occupancy and other	105,482	110,857
Total company-operated restaurants	333,503	339,285
Franchised restaurants and other	92,083	102,304
Advertising funds expense	198,900	197,885
General and administrative	140,677	121,416
Facility action charges, net	6,491	210
Total operating costs and expenses	771,654	761,100
Operating income	68,585	88,538
Interest expense	(69,480)	(68,902)
Other income, net	6,268	5,421
Income before income taxes	5,373	25,057
Income tax expense	1,394	4,266
Net income	$ 3,979	$ 20,791

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal 2026	Fiscal 2025
Net income	$ 3,979	$ 20,791
Other comprehensive income:		
Foreign currency translation adjustments	36	(17)
Amounts reclassified to earnings for Shanghai business liquidation	—	1,119
Other comprehensive income	36	1,102
Comprehensive income	$ 4,015	$ 21,893

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except shares)

	CKE Restaurants Holdings, Inc. Stockholder's Equity					
	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of January 31, 2024	100	$ —	$ 736,438	$ (495,148)	$ (1,157)	$240,133
Share-based compensation	—	—	444	—	—	444
Other comprehensive income	—	—	—	—	1,102	1,102
Other loss	—	—	88	—	—	88
Cash dividends to CKE Holding Corporation	—	—	—	(90,000)	—	(90,000)
Net income	—	—	—	20,791	—	20,791
Balance as of January 31, 2025	100	—	736,970	(564,357)	(55)	172,558
Share-based compensation	—	—	1,056	—	—	1,056
Other comprehensive income	—	—	—	—	36	36
Net income	—	—	—	3,979	—	3,979
Balance as of January 31, 2026	100	$ —	$ 738,026	$ (560,378)	$ (19)	$177,629

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2026	Fiscal 2025
Cash flows from operating activities:		
Net income	$ 3,979	$ 20,791
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,084	52,776
Amortization of deferred financing costs	3,630	3,499
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	—	1,283
Share-based compensation	1,099	444
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	—	(1,386)
Loss on refranchising transaction	14	—
Loss (gain) on disposal of other property and equipment	4,774	(2,635)
Deferred income taxes	(7,992)	(11,869)
Provision for losses on impairments, accounts receivable and other items, net	11,998	11,625
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(16,243)	(15,444)
Estimated liability for self-insurance	(1,207)	(1,009)
Accounts payable and other current and long-term liabilities	8,878	(2,264)
Operating lease asset and liabilities, net	(1,048)	(241)
Net cash provided by operating activities	55,966	55,570
Cash flows from investing activities:		
Purchases of property and equipment	(20,414)	(36,620)
Acquisitions of restaurants, net of cash received	—	(111)
Proceeds from refranchising transactions	601	—
Proceeds from sale of other property and equipment	6,811	8,128
Other investing activities	660	219
Net cash used in investing activities	(12,342)	(28,384)
Cash flows from financing activities:		
Net change in book overdraft	77	(298)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	—	(2,068)
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	—	(5,792)
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	—	(330,750)
Issuance of Series 2024-1 Class A-2 Notes	—	350,000
Repayments of finance leases	(1,554)	(1,571)
Repayments of financing method sale-leaseback obligations	(11,032)	(10,582)
Cash dividends to CKE Holding Corporation	—	(90,000)
Net cash used in financing activities	(24,309)	(102,861)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	26	32
Net increase (decrease) in cash, cash equivalents and restricted cash	19,341	(75,643)
Cash, cash equivalents and restricted cash at beginning of period	70,865	146,508
Cash, cash equivalents and restricted cash at end of period	$ 90,206	$ 70,865

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CKE Restaurants Holdings, Inc. ("CKE Restaurants") is not a franchisor and conducts substantially all of its restaurant activities and operations through its subsidiaries. Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. References to "we", "us", "our" and the "Company" may relate to CKE Restaurants and/or its subsidiaries, as may be applicable.

Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2026, our system-wide restaurant portfolio consisted of:

Company-operated	248
Domestic franchised	2,229
International franchised	1,230
Total restaurants	3,707

Basis of Presentation and Fiscal Year

Our accompanying Consolidated Financial Statements include the accounts of CKE Restaurants, its consolidated subsidiaries and its consolidated variable interest entities ("VIEs"). CKE Restaurants does not have any non-controlling interests in other entities. These Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 26, 2026 is referred to herein as fiscal 2026 or the fiscal year ended January 31, 2026. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Geopolitical Conflicts

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2026 and January 31, 2025. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Geopolitical conflicts and related instability in the Middle East and Latin America have adversely affected, and may continue to adversely affect, performance in our international markets. These impacts may include decreased guest traffic at franchisee-operated restaurants, reduced franchisee profitability, temporary store closures, limited operating hours, delays in restaurant development and other disruptions to franchisee operations.

Variable Interest Entities

Hardee's Funds consideration

We consolidate the Hardee's National Advertising Fund ("HNAF") and approximately 73 Hardee's local co-operative advertising funds ("Hardee's Co-ops") (collectively, the "Hardee's Funds") since we have determined that the Hardee's Funds are VIEs and that we are the primary beneficiary. We considered a variety of factors in identifying the primary beneficiary of the Hardee's Funds including, but not limited to, who holds the power to direct the activities that most significantly impact the economic performance of the Hardee's Funds, as well as what party has the obligation to absorb any losses of the Hardee's Funds. Based upon these considerations, we concluded that we are the primary beneficiary.

The Hardee's Co-ops are consolidated as of December 31, 2025. Any potential difference between the calendar year presentation and our fiscal year calendar is not considered material to the Consolidated Financial Statements. We have included $21,783 and $26,600 of total assets and total liabilities and equity related to Hardee's Funds in our accompanying Consolidated Balance Sheets as of January 31, 2026 and 2025, respectively. We have no rights to the assets, other than those disclosed above, nor do we have any obligation with respect to the liabilities, of the Hardee's Funds, and none of our assets serve as collateral for the creditors of these VIEs.

Franchisee consideration

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a VIE.

Shanghai Business

The Shanghai, China business ("Shanghai business") was established for the purpose of locating, developing and operating Carl's Jr. restaurants within the municipality of Shanghai, China and certain nearby provinces. During the fiscal year ended January 31, 2023, the Company closed all restaurants operated by our Shanghai business. During the fiscal year ended January 31, 2025, the Company liquidated the Shanghai business.

Estimations

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, goodwill, finance lease assets and operating lease assets;
- estimation, using actuarially determined methods, of our self-insured claim losses under our workers' compensation, general liability and auto liability insurance programs;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods;
- estimation of the appropriate allowances associated with franchise and other receivables;
- determination of the appropriate assumptions to estimate gift card breakage;

- determination of the appropriate assumptions to estimate the fair value of share-based compensation; and
- estimation of our deferred income tax asset valuation allowance, liabilities related to uncertain tax positions and effective tax rate.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $17,807 and $18,147 as of January 31, 2026 and 2025, respectively, consisted of cash and cash equivalents that are held by the trustee of our 2018-1 Class A-2-III Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets

Goodwill represents the excess, if any, of the purchase price over the fair value of identifiable net assets acquired in an acquisition. As of January 31, 2026, our goodwill balance primarily consisted of goodwill recorded in connection with the acquisition of CKE Inc., the Company's sole stockholder, that occurred on December 24, 2013. Goodwill may also be recorded in connection with the acquisition of restaurants from franchisees.

We test goodwill for impairment on an annual basis, or more frequently if events and/or circumstances indicate that goodwill might be impaired. The impairment test is performed at the reporting unit level, and an impairment loss is recognized to the extent that the carrying amount of the reporting unit exceeds its fair value. We consider our reporting units to be company-operated restaurants, domestic franchised restaurants and international franchised restaurants as the components (e.g., restaurants) within each reporting unit have similar economic characteristics, including products and services, production processes, types or classes of customers and distribution methods.

We perform our annual goodwill impairment test on the last day of the first accounting period in our fiscal fourth quarter, which was December 1, 2025 for fiscal 2026. In accordance with authoritative guidance, we first assess qualitative factors to determine whether it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we then conduct a single-step quantitative goodwill impairment test, consisting of a comparison of the fair values of the reporting units to the carrying values of the reporting units. If the carrying value of a reporting unit exceeds its fair value, then an impairment charge will be recognized for the amount by which the carrying value exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we sell restaurants to franchisees, we remove the related goodwill, which is based on the relative fair value of the restaurants sold and the reporting unit as a whole, from our company-operated restaurants reporting unit. A portion of the goodwill, representing the cash flows disposed, is included in the carrying amount of the restaurants in determining the gain or loss on refranchising. The portion of the goodwill disposed is generally based on the price paid to the Company to acquire the restaurants in relation to the fair value of the reporting unit as a whole. The fair value of the reporting unit is based upon the price a willing buyer would pay for the reporting unit. The remaining goodwill related to the divested restaurants, which is attributable to retained cash flows, is transferred from our company-operated restaurants reporting unit to our domestic franchised restaurants reporting unit.

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Consolidated Balance Sheets. As of January 31, 2026 and 2025, our book overdraft liability was $195 and $118, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Consolidated Statements of Cash Flows.

Self-Insurance

We are self-insured for a portion of losses related to workers' compensation, general liability and auto liability claims. We establish liabilities for self-insurance, with the assistance of actuaries, using assumptions based on the average historical losses on claims we have incurred, actuarial observations of historical claim loss development and actuarial estimates of unpaid losses for each loss category. Our workers' compensation, general liability and auto liability claims are discounted using an estimated risk-free interest rate of 3.75% as of January 31, 2026. As of January 31, 2026 and 2025, our estimated liability for self-insurance was $11,026 and $12,134, respectively.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees, and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). Technology fees are charged to franchised restaurants to partially offset expenses related to technology initiatives. We present all revenue net of sales tax.

Advertising funds revenue includes contributions to HNAF, Hardee's Co-ops, the Carl's Jr. national advertising fund (the "Carl's Jr. Fund") and certain international advertising funds (collectively, the "Advertising Funds") by franchisees. Revenue related to these contributions is based on a percentage of sales of the franchised restaurants and is recognized as earned.

Our company-operated restaurants and franchised restaurants sell gift cards within the restaurants and through independent retailers that are redeemable for products in our Carl's Jr. and Hardee's restaurants. The Company manages the gift card program for the domestic system and collects all funds from the activation of gift cards. We recognize revenue when cards are redeemed in our company-operated restaurants and reimburse franchisees for the redemption of gift cards in their

restaurants. A liability for unredeemed gift cards is included in other current liabilities in our accompanying Consolidated Balance Sheets (see Note 7).

There are no expiration dates on our gift cards, and we do not charge any service fees. While our company-operated restaurants and franchisees continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain cards due to long periods of inactivity. In these circumstances, we may recognize income from unredeemed gift cards ("breakage revenue") if they are not subject to unclaimed property laws. Breakage revenue on all Carl's Jr. and Hardee's gift cards is estimated and recognized over time in proportion to actual gift card redemptions, based on historical redemption rates. We account for breakage revenue in franchised restaurants and other revenue in our accompanying Consolidated Statement of Operations (see Note 15).

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses, and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, advertising, franchise fees, rent and technology fees. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, invoking personal guarantees, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Company-operated and franchised restaurants jointly share in the cost of various advertising and marketing programs. Advertising and marketing contributions for both company-operated and franchised restaurants are generally determined based on a percentage of revenue and contributed to the applicable funds ratably throughout the year. We administer internally the Carl's Jr. Fund advertising and marketing programs, certain international advertising funds and HNAF. A third party administers the Hardee's Co-ops.

Advertising costs for company-operated restaurants' contributions to the Advertising Funds is eliminated in consolidation. Advertising contributions by company-operated restaurants totaled $19,651 and $19,626 for fiscal 2026 and fiscal 2025, respectively. The cost of local and incremental advertising that is not funded by the Advertising Funds is expensed as incurred.

Share-Based Compensation

We issue equity-based awards to our executive management team, certain key employees, and directors under our equity-based compensation plans. Under the fair value recognition provisions of the authoritative guidance for equity-based compensation awards, we measure the fair value of equity-based awards at the grant date and the fair value is recognized as expense over the requisite service period.

Our equity-based compensation structure includes both time vesting and performance vesting profit sharing interests. We recognize compensation expense relating to time vesting profit sharing interests ratably over the requisite service period for the entire award. Performance vesting profit sharing interests vest through meeting performance and service conditions. We record compensation expense for performance vesting profit sharing interests when we deem the achievement of the performance goals to be probable. We recognize compensation expense for each separately vesting portion of performance vesting profit sharing interests ratably over the requisite service period that is determined to be the most likely outcome. We

record reversals of share-based compensation expense for forfeitures as they occur. Our share-based compensation structure is described more fully in Note 17.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Consolidated Statements of Operations as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. As discussed within the section "Goodwill and Intangible Assets" in this Note 1, we include goodwill in the carrying amount of the restaurants in determining the gain or loss on disposal. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2026	2025
Deferred franchise fees, beginning of year	$ 34,344	$ 35,941
Revenue recognized during the period	(4,793)	(5,395)
New deferrals due to cash received	5,110	3,798
Deferred franchise fees, end of year	$ 34,661	$ 34,344

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2027	$ 3,415
2028	3,103
2029	2,980
2030	2,834
2031	2,648
Thereafter	19,681
Total estimated future amortization income	$ 34,661

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2026 and January 31, 2025, respectively.

Income Taxes

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation ("CKE"). For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions.

Our current provision for income taxes is based on our estimated taxable income in each of the jurisdictions in which we operate, after considering the impact on our taxable income of temporary differences resulting from disparate treatment of items, such as depreciation, interest expense, advertising funds, sale-leaseback transactions, various reserves, tax credits and net operating losses ("NOL"), for tax and financial reporting purposes. We record deferred income taxes for the estimated future income tax effect of temporary differences between the financial and tax bases of assets and liabilities using the asset and liability method. Deferred income tax assets are also recorded for NOL and income tax credit carryforwards. A valuation allowance to reduce the carrying amount of deferred income tax assets is established when it is more likely than not that we will

not realize some portion or all of the tax benefit of our deferred income tax assets. We evaluate, on a quarterly basis, whether it is more likely than not that our deferred income tax assets are realizable. In performing this analysis, we consider all available evidence, both positive and negative, including historical operating results, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards and potential tax planning strategies that may be employed to prevent NOL or tax credit carryforwards from expiring unused. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

From time to time, we may take positions in filing our income tax returns that differ from the treatment of the same items for financial reporting purposes. The ultimate outcome of these items will not be known until the Internal Revenue Service, or similar state taxing authority, has completed its examination or until the statute of limitations has expired.

We maintain a liability for underpayment of income taxes and related interest and penalties, if any, related to uncertain income tax positions. The tax benefit from an uncertain tax position is recognized either upon the expiration of the statutory audit period or when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Our policy on the classification of interest and penalties related to the underpayment of income taxes and uncertain tax positions is to record interest in interest expense, and to record penalties, if any, in general and administrative expense, in our accompanying Consolidated Statements of Operations. Accrued interest and penalties are included in our liability for uncertain tax positions.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Foreign Currency

The functional currency of our foreign entities is the currency of the primary economic environment in which the entity operates. Functional currency determinations are made based upon a number of economic factors, including but not limited to cash flows and financing transactions. The operations, assets and liabilities of our entities outside the United States are initially measured using the functional currency of that entity. The income and expense accounts are then translated into U.S. dollars at the average exchange rates prevailing during the period. The assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date.

Comprehensive Income

We present comprehensive income in our accompanying Consolidated Statements of Comprehensive Income. Comprehensive income includes, in addition to net income, changes in equity that are excluded from our Consolidated Statements of Operations and are recorded directly into a separate section of equity on our Consolidated Balance Sheets. Accumulated other comprehensive income is comprised of foreign currency translation adjustments attributable to CKE Restaurants Holdings, Inc. and the Shanghai business liquidation in fiscal year 2025.

Subsequent Events

We have evaluated subsequent events through April 1, 2026, the date our Consolidated Financial Statements were available to be issued and, except for certain geopolitical conflicts discussed in Note 1 and the acquisition discussed in Note 5, have determined that no subsequent events occurred after the balance sheet date requiring disclosure.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued an amendment to provide a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets for revenue arising from contracts with customers. The standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Trade receivables	$ 60,963	$ 45,755
Leases receivable	266	217
Taxes receivable	733	964
Notes receivable	3,570	2,542
Allowance for credit losses	(11,630)	(4,679)
Total accounts receivable, net	$ 53,902	$ 44,799

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2026	Fiscal 2025
Allowance for credit losses, beginning of year	$ 4,679	$ 2,375
Provision	8,222	3,246
Recoveries	(1,105)	(526)
Charge-offs	(166)	(416)
Allowance for credit losses, end of year	$ 11,630	$ 4,679

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2026 and 2025:

	Estimated Useful Life	2026	2025
Land	Indefinite	$ 183,957	$ 190,599
Leasehold improvements	3-25 years	106,405	115,242
Buildings and improvements	3-40 years	171,252	171,355
Equipment, furniture and fixtures	3-8 years	159,029	160,079
Finance leases	5-33 years	15,202	15,173
		635,845	652,448
Less accumulated depreciation and amortization[1]		(290,660)	(281,383)
Total property and equipment, net		$ 345,185	$ 371,065

(1) The accumulated amortization related to finance leases was $2,258 and $1,195 as of January 31, 2026 and 2025, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2026 and 2025 was $30,402 and $36,183, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

Acquisition of Restaurants

During the fiscal year ended January 31, 2026, we purchased two Hardee's restaurants from a franchisee for the purchase price of $312. During the fiscal year ended January 31, 2025, we purchased one Carl's Jr. restaurant from a franchisee for purchase price consideration of $111. As a result of these transactions, we recorded the following:

	Fiscal 2026	Fiscal 2025
Net working capital	$ 16	$ 5
Property and equipment	37	106
Reacquired franchise rights	259	—
Net assets acquired and liabilities assumed	$ 312	$ 111

The acquisitions result in no goodwill. Legal, travel and other expenses related to these acquisitions for fiscal 2026 and 2025 were $55 and $101, respectively, which are included in general and administrative expense in the Consolidated Statements of Operations.

In the first quarter of fiscal 2027, we purchased twenty-three Hardee's restaurants from a franchisee for $690 in cash. Due to the close proximity of the acquisition date to the end of fiscal 2026, the allocation of the purchase price to the assets acquired and liabilities assumed is incomplete. The purchase price allocation of these restaurants will be recorded by January 31, 2027.

Refranchising Transaction

During fiscal 2026, we sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $615. In connection with the sale of this restaurant, we received aggregate consideration of $601, and recognized a net loss of $14, which is included in facility action charges, net, in our accompanying Consolidated Statements of Operations. In

connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS, NET

During the fourth quarter of fiscal 2026 and 2025, we performed our annual impairment tests for goodwill and indefinite-lived intangible assets using a qualitative approach and determined that it is more likely than not that the fair value is greater than the carrying value. Accordingly, no impairment losses were recorded in fiscal 2026 or 2025.

The table below presents our intangible assets as of January 31, 2026 and 2025:

		2026			2025		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,924	(193,171)	128,753	321,665	(176,641)	145,024
Favorable lease agreements	17	4,660	(3,627)	1,033	5,429	(4,104)	1,325
Total intangible assets		$ 940,984	$ (196,798)	$ 744,186	$ 941,494	$ (180,745)	$ 760,749

Amortization expense related to these intangible assets for fiscal 2026 and 2025 was $16,804 and $16,789, respectively. Our estimated future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2027	$ 16,549
2028	16,350
2029	16,290
2030	16,262
2031	16,218
Thereafter	48,117
Total estimated future amortization expense	$ 129,786

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Salaries, wages and other benefits	$ 13,191	$ 10,627
Financing method sale-leaseback liability, current portion	11,736	11,658
Income taxes payable	10,287	13,131
Accrued interest	6,125	6,358
Accrued property taxes	3,607	4,321
Gift card liabilities	3,572	3,145
Deferred franchise and development fees	3,415	3,340
Estimated liability for self-insurance, current portion	3,173	3,577
Estimated liability for deferred rent, current portion	1,937	2,274
Accrued loyalty deferral	1,905	1,043
State sales tax	1,858	1,670
Utilities	991	992
Estimated liability for litigation	795	—
Other accrued liabilities	10,625	5,050
Total other current liabilities	$ 73,217	$ 67,186

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Class A-2 Notes:		
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	$ 231,875	$ 234,375
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	380,000	384,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	171,900	173,700
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	343,875	347,375
Unamortized deferred financing costs on Senior Notes	(11,626)	(15,256)
Total debt, net	1,116,024	1,124,194
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,104,224	$ 1,112,394

As of January 31, 2026, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2027	$ 11,800
2028	383,800
2029	398,675
2030	3,500
2031	3,500
Thereafter	326,375
Total long-term debt	$ 1,127,650

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the "Co- Issuers"), our indirect wholly-owned subsidiaries, issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the "Indenture") allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2026, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the "Class A-2 Notes").

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and extend the maturity date to March 2029, including options for further extensions for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2026, the Co-Issuers had zero outstanding loan borrowings, $22,821 of outstanding letters of credit and remaining availability of $102,179 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the Co-Issuers and their subsidiaries and immediate holding companies (collectively, the "CKE Securitization Entities"), but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid

or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect that the Co-Issuers will repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that the Co-Issuers do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. The Co-Issuers may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to the anticipated repayment date for the Series 2024-1 Class A-2 Notes, the Co-Issuers may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, the Co-Issuers completed a refinancing transaction (the “Series 2024-1 Refinancing”) under which the Co-Issuers issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full the Co-Issuer's outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, the Company recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Consolidated Statements of Operations.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Consolidated Statements of Operations using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2026	Fiscal 2025
Series 2018-1 Class A-2-II Notes	$ —	$ 2,988
Series 2018-1 Class A-2-III Notes	13,277	13,398
Series 2020-1 Class A-2 Notes	15,168	15,303
Series 2021-1 Class A-2 Notes	4,938	4,981
Series 2024-1 Class A-2 Notes	25,004	20,593
Amortization of deferred financing costs	3,630	3,499
Finance leases	1,424	1,379
Financing method sale-leaseback obligations (see Note 10)	4,838	5,363
Letter of credit fees, commitment fees and other	1,201	1,398
Total interest expense	$ 69,480	$ 68,902

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2026 and 2025 are as follows:

	2026	2025
Land	$ 97,005	$ 99,835
Leasehold improvements	5,293	3,253
Buildings and improvements	70,148	65,883
	172,446	168,971
Less accumulated depreciation and amortization	(60,834)	(55,096)
Total assets leased to others	$ 111,612	$ 113,875

The components of lease income for the years ended January 31, 2026 and January 31, 2025 are as follows:

	2026	2025
Rent revenue:		
Minimum rent revenue	$ 82,750	$ 86,996
Variable lease payments	5,464	5,713
Total rent revenue	$ 88,214	$ 92,709

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Consolidated Balance Sheets. As of January 31, 2026, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2027	$ 460	$ 74,646	$ 6,757
2028	448	68,501	6,374
2029	355	58,141	5,730
2030	319	47,710	5,434
2031	315	36,645	5,670
Thereafter	4,170	79,207	25,706
Total future minimum lease and sublease rent revenue	6,067	$ 364,850	$ 55,671
Unearned interest income	(1,885)		
Present value of leases receivable	4,182		
Less current portion	(266)		
Leases receivable, less current portion	$ 3,916		

Company as Lessee

The components of lease cost for the years ended January 31, 2026 and January 31, 2025 are as follows:

	Fiscal 2026	Fiscal 2025
Finance lease cost:		
Amortization of finance lease assets	$ 1,690	$ 1,339
Interest on finance lease liabilities	1,674	1,670
Variable lease cost	15	9
Total finance lease cost	3,379	3,018
Operating lease cost	86,217	88,491
Variable lease cost	1,445	1,593
Total operating lease cost	87,662	90,084
Total lease cost	$ 91,041	$ 93,102

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2026 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2027	$ 1,500	$ 1,392	$ 16,659	$ 66,427
2028	1,514	1,337	15,825	60,285
2029	1,521	1,200	14,179	49,957
2030	1,547	1,136	10,887	39,613
2031	1,591	1,125	8,991	28,844
Thereafter	11,658	6,076	36,802	71,819
Total minimum lease payments	19,331	12,266	103,343	316,945
Less amount representing interest	(5,395)	(3,200)	(10,444)	(28,381)
Present value of minimum lease payments	13,936	9,066	92,899	288,564
Less current portion	(682)	(952)	(11,881)	(62,481)
Lease obligations, less current portion	$ 13,254	$ 8,114	$ 81,018	$ 226,083

Net Rent Income

Net rent under non-cancelable operating leases for the years ended January 31, 2026 and January 31, 2025 are as follows:

	Fiscal 2026	Fiscal 2025
Rent revenue:		
Minimum rent revenue	$ 82,750	$ 86,996
Variable lease payments	5,464	5,713
Total rent revenue	88,214	92,709
Rent expense:		
Operating lease cost	(86,217)	(88,491)
Variable lease cost	(1,445)	(1,593)
Total operating lease cost	(87,662)	(90,084)
Net rent income	$ 552	$ 2,625

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2026	2025
Finance leases	12.53 years	12.28 years
Operating leases	6.73 years	7.25 years

Weighted-average discount rate:

	2026	2025
Finance leases	5.9 %	6.2 %
Operating leases	2.9 %	2.6 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

We currently have entered into agreements with independent third parties under which we sold and leased back a total of 125 restaurant properties. The initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Consolidated Balance Sheets was $112,481 and $113,775 as of January 31, 2026 and 2025, respectively.

During fiscal 2025, the lease agreement for one of our restaurant properties was terminated. As we no longer have continuing involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Consolidated Statements of Operations.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2026, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2027	$ 15,784
2028	16,602
2029	17,130
2030	17,135
2031	17,146
Thereafter	31,303
Total minimum lease payments	115,100
Less amount representing interest	(21,371)
Residual property obligation[1], deferred financing costs and deferred sales proceeds	103,150
Financing method sale-leaseback liability	196,879
Less current portion	(11,736)
Financing method sale-leaseback liability, less current portion	$ 185,143

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Financing method sale-leaseback liability, long-term portion	$ 185,143	$ 196,207
Deferred franchise and development fees	31,246	31,004
Estimated liability for self-insurance, long-term portion	7,853	8,557
Deferred beverage income	5,953	5,391
Unfavorable lease agreements	1,797	2,975
Other	1,779	2,834
Total other long-term liabilities	$ 233,771	$ 246,968

NOTE 12 — EQUITY

As of January 31, 2026 and 2025, a total of 100 shares of $0.01 par value common stock of CKE Restaurants are issued and outstanding. Each share of common stock entitles the shareholder to one vote per share and is eligible to receive dividend payments when declared. As discussed more fully in Note 8, the Indenture governing the Senior Notes includes certain covenants and restrictions that may limit CKE Restaurants' ability to declare and pay dividends. During fiscal 2025, we paid a cash dividend of $90,000 to CKE Holding Corporation, our sole stockholder. No dividends were declared and paid in fiscal 2026.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2026 and 2025:

	2026		2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-III Notes	$ 230,161	$ 231,063	$ 232,031	$ 227,297
Series 2020-1 Class A-2 Notes	376,960	366,852	379,552	362,842
Series 2021-1 Class A-2 Notes	170,088	160,744	171,186	154,454
Series 2024-1 Class A-2 Notes	338,815	355,876	341,425	364,858

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including goodwill, intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding company-operated restaurants impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2026:

	Impairment Charges
Assets to be disposed of (Level 2)[(1)]	$ 5,078
Assets to be held and used (Level 3)[(2)]	587

(1) Represents the impairment of long-lived assets including property & equipment, net, finance assets and operating lease assets for multiple domestic company-operated closed restaurants and long-lived corporate assets.
(2) Represents impairment recorded for two domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Impairment Charges
Assets to be disposed of (Level 2)[(1)]	$ 1,273
Assets to be held and used (Level 3)[(2)]	1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for five domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Consolidated Statements of Operations. As of January 31, 2026, the nominal value of the lease obligations under the remaining master leases' primary terms is $361,544.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2026, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $22,821, expiring at various dates through November 2026. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an

interest reserve as required by the Indenture and letters of credit of $7,671, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2026, we had unconditional purchase obligations in the amount of $72,244, which consisted primarily of contracts for goods and services related to restaurant operations and contractual commitments for marketing and sponsorship arrangements. Our unconditional purchase obligations for fiscal 2027, 2028, 2029, 2030 and 2031 are estimated to be $67,731, $2,307, $1,097, $772 and $337, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2026	Fiscal 2025
Royalties	$ 188,073	$ 190,783
Rent and other occupancy	90,009	94,420
Franchise fees	4,793	5,395
Other	7,391	7,676
Total franchised restaurants and other revenue	$ 290,266	$ 298,274

Franchised restaurants and other expense consisted of the following:

	Fiscal 2026	Fiscal 2025
Rent and other occupancy	$ 72,838	$ 75,110
Amortization of franchise agreements	16,531	16,483
Other	2,714	10,711
Total franchised restaurants and other expense	$ 92,083	$ 102,304

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2026	Fiscal 2025
Loss (gain) on disposal of other property and equipment	$ 2,651	$ (3,869)
Closed store expenses	2,082	2,197
Impairment of assets to be disposed of	1,144	1,273
Impairment of assets to be held and used	587	1,667
Loss on refranchising transaction	14	—
Other losses, net	13	28
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	—	(1,086)
Total facility action charges, net	$ 6,491	$ 210

Company-operated restaurants impairment charges recorded against property and equipment, finance assets and operating lease assets of $1,731 and $2,940 were recognized in facility action charges, net in fiscal 2026 and 2025, respectively.

NOTE 17 — SHARE-BASED COMPENSATION

Share-based compensation consisted of the following:

	Fiscal 2026	Fiscal 2025
Share-based compensation related to profit sharing interests that contain performance conditions[(1)]	$ —	$ —
Share-based compensation related to all other profit sharing interests[(1)]	1,099	444
Total share-based compensation expense	$ 1,099	$ 444

(1) During fiscal 2026 and fiscal 2025, we recorded reversals of $170 and $545, respectively, of share-based compensation expense in connection with the forfeiture of profit sharing interests.

Share-Based Compensation Arrangements

CKE Holdings LP, a limited partnership (the "Partnership") that was formed by Roark Capital Management, LLC ("Roark") and certain members of our senior management team and Board of Directors in December 2013, is CKE's sole stockholder as of January 31, 2026 and 2025. The Limited Partnership Agreement, as amended ("Limited Partnership Agreement"), allows for the issuance of profit sharing interests ("Units") in the Partnership in the form of "Class B" and "Class C" Units. The Units provide the holders a profit sharing interest in the Partnership as defined in the partnership agreement and the individual grant agreements. There are no income tax benefits associated with any of the Class B Units or Class C Units.

Time vesting Class B Units vest in four equal annual installments from the date of grant. Performance vesting Class B Units provide for vesting or conversion to a time vesting schedule upon achievement of certain financial or investment targets. Time vesting Class C Units vest in various installments as specified in the individual grant agreements, but in all instances have vesting periods no longer than five years from the date of grant. There are no unvested time vesting and performance vesting Class B Units as of January 31, 2026 and 2025.

As a result of a previous amendment to the Limited Partnership Agreement, all performance vesting Class B Units that had not vested or converted to a time vesting schedule prior to December 24, 2017, became fully vested and non-forfeitable Class B Units, subject to certain restrictions (the "Restricted Class B Performance Units"). The Restricted Class B Performance Units are only entitled to realize a profit sharing interest in the Partnership to the extent that certain future performance and/or

market conditions are met. These conditions require the value generated or calculated as a result of a substantial initial public offering, change in control or cumulative cash distributions, each as defined in the Limited Partnership Agreement, to result in the achievement of a specified return to the Partnership.

During fiscal 2026, the Partnership granted 740,499 time vesting and 666,833 performance vesting Class C Units. The time vesting Class C Units vest in either three or five equal annual installments from the dates of grant. The performance vesting Class C Units consists of either three or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2026 through 2030 as set forth in the grant agreements.

During fiscal 2025, the Partnership granted 334,800 time vesting and 186,000 performance vesting Class C Units. The time vesting Class C Units vest in either three, four or five equal annual installments from the dates of grant. The performance vesting Class C Units consists of either three, four or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2025 through 2029 as set forth in the grant agreements.

The following presents the time vesting and performance vesting Unit activity for fiscal 2026:

	Time Vesting Units	Performance Vesting Units	Total Units	Weighted-Average Grant Date Fair Value
Unvested Units outstanding as of January 31, 2025	432,158	412,100	844,258	$ 5.78
Granted Units	740,499	666,833	1,407,332	5.78
Forfeited Units	(230,766)	(308,833)	(539,599)	5.79
Vested Units	(107,836)	—	(107,836)	5.72
Unvested Units outstanding as of January 31, 2026	834,055	770,100	1,604,155	5.78
Vested Units outstanding as of January 31, 2026			5,099,652	

As of January 31, 2026, there was $10,296 of maximum unrecognized compensation costs for the unvested Units which have the potential for recognition over a weighted average amortization period of 2.14 years.

NOTE 18 — EMPLOYEE RETIREMENT PLAN

We sponsor a contributory plan (“401(k) Plan”) to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code (“IRC”). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2026 and 2025, our matching contributions to the 401(k) Plan were $713 and $702, respectively.

NOTE 19 — RELATED PARTY TRANSACTIONS

Transactions with Roark Capital Management, LLC

We have a management advisory and consulting services agreement with Roark. In exchange for advice concerning management, finance, marketing, strategic planning and other advisory and consulting services provided to us by Roark and its affiliates, Roark receives consulting fees and reimbursement of reasonable expenses. The current annual consulting fee of $3,564 is payable in equal quarterly installments and subject to an increase of three percent per year during the ten year term of the agreement. We recorded $3,458 and $3,358 of consulting fees, which are included in general and administrative expense in our accompanying Consolidated Statements of Operations for fiscal 2026 and 2025, respectively.

The management advisory and consulting services agreement also provides that Roark may earn future fees in connection with certain business acquisition transactions, an initial public offering or a change of control transaction. The management advisory and consulting services agreement includes customary exculpation and indemnification provisions in favor of Roark and its affiliates.

NOTE 20 — INCOME TAXES

Income tax expense consisted of the following:

	Fiscal 2026	Fiscal 2025
Current:		
Federal	$ (150)	$ 7,282
State	2,227	2,449
Foreign	7,310	6,404
	9,387	16,135
Deferred:		
Federal	(5,545)	(8,988)
State	(2,456)	(2,857)
Foreign	8	(24)
	(7,993)	(11,869)
Total income tax expense	$ 1,394	$ 4,266

The following is a reconciliation of income tax expense at the federal statutory rate of 21.0% to our income tax expense for fiscal 2026 and 2025, respectively:

	Fiscal 2026	Fiscal 2025
Income tax expense at statutory rate	$ 1,129	$ 5,262
State income taxes, net of federal income tax effect	(181)	(322)
Nondeductible share-based compensation	231	93
General business credits	(117)	(379)
Nondeductible foreign losses	—	2,010
Uncertain tax positions	(659)	(383)
Foreign derived intangible income deduction	—	(1,975)
Other, net	991	(40)
Total income tax expense	$ 1,394	$ 4,266

Deferred income tax liabilities, net consisted of the following at January 31, 2026 and 2025:

	2026	2025
Deferred income tax assets:		
Operating lease liabilities	$ 97,706	$ 107,272
Financing method sale-leaseback obligations	24,072	27,325
Interest limitation carryforward	24,299	18,511
Reserves and allowances	7,940	9,049
Franchise fees	7,699	7,767
Net operating loss carryforwards	277	290
Federal and state tax credits	—	129
Valuation allowance	(237)	(204)
Total deferred income tax assets	161,756	170,139
Deferred income tax liabilities:		
Goodwill and other intangible assets	(188,832)	(193,715)
Operating lease assets	(92,462)	(101,711)
Basis difference in property and equipment	(22,042)	(22,829)
Advertising funds	(3,655)	(5,618)
Other items	(6,297)	(5,790)
Total deferred income tax liabilities	(313,288)	(329,663)
Deferred income tax liabilities, net	$ (151,532)	$ (159,524)

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation. For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions. As of January 31, 2026 and 2025, our income tax payable to our corporate parent was $13,586 and $13,459, respectively. During fiscal 2026 and 2025, we did not make any income tax payments to CKE Holding Corporation and made $12,680 and $17,342 in income tax payments net of refunds directly to taxing authorities.

As of January 31, 2026 and 2025, we maintained a valuation allowance of $237 and $204, respectively, for a portion of our state NOL carryforwards because we had concluded that realization of the tax benefit of such deferred income tax assets was not more likely than not. In evaluating the need for a valuation allowance, we consider all available evidence, positive and negative, including cumulative historical earnings in recent years, future reversals of existing temporary differences, estimated future taxable income exclusive of reversing temporary differences on a jurisdictional basis and statutory expiration dates of NOL carryforwards. During fiscal 2026, we increased our valuation allowance by $33.

As of January 31, 2026, we have state NOL carryforwards in the amount of approximately $17,594, which expire in varying amounts from fiscal 2027 through 2034. As of January 31, 2026, we have $40 of net deferred income tax assets related to our state NOL carryforwards, which represent our expected future tax savings from such carryforwards, after considering the impact of past ownership changes on our ability to utilize such carryforwards. The utilization of our NOL carryforwards to offset future taxable income may be subject to an annual limitation as a result of past or future ownership changes. As of January 31, 2026, we have recognized a nominal amount of deferred income tax assets associated with foreign operations.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	Fiscal 2026	Fiscal 2025
Unrecognized tax benefits, beginning of year	$ 2,658	$ 3,347
Gross increases related to tax positions taken in prior years	22	55
Gross decreases related to tax positions taken in prior years	(462)	(657)
Gross increases related to tax positions taken in the current year	244	293
Reductions to tax positions due to settlements with taxing authorities and lapses of statutes of limitations	(811)	(380)
Unrecognized tax benefits, end of year	$ 1,651	$ 2,658

Included in the balance of unrecognized tax benefits as of January 31, 2026, are $966 of tax benefits that, if recognized, would affect the effective tax rate. Also included in the balance of unrecognized tax benefits as of January 31, 2026, are $684 of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred income taxes, income taxes payable and valuation allowance. Amounts recorded for interest and penalties in connection with the unrecognized tax benefits noted above were not significant as of January 31, 2026 and 2025.

We believe that it is reasonably possible that decreases in unrecognized tax benefits of up to $215 may be necessary within the coming fiscal year as a result of statutes closing on such items. In addition, we believe that it is reasonably possible that our unrecognized tax benefits may increase as a result of tax positions that may be taken in fiscal 2026.

On July 4, 2025, the U.S. Government enacted comprehensive tax legislation commonly referred to as the One Big Beautiful Bill Act (the “OBBBA”). A number of these provisions went into effect immediately upon signing the legislation. Other provisions will go into effect in the coming years, with some not scheduled until 2028. Since we are a fiscal year U.S. taxpayer, the majority of the provisions apply to fiscal 2026, including the reinstatement of 100% bonus depreciation, the change to calculating the Section 163(j) interest limitation, and allowing immediate expensing for current year research and experimentation costs as well as immediate expensing of previously unamortized costs under Section 174. The implementation of these provisions reduced our income tax payable by an estimated $4,076 for fiscal 2026.

In the absence of guidance on various ambiguities in the application of certain provision of the OBBBA, we have used what we believe are reasonable interpretations and assumptions in applying the new provisions. It is possible that the IRS could issue subsequent guidance or take positions on audit that differ from our prior interpretations and assumptions, which could impact future calculations.

We file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. We have carried forward various state NOL and income tax credits to income tax years that remain open by statute. As a result, such NOL and income tax credit carryforwards remain subject to adjustment by the respective tax authorities. Our federal income tax returns from fiscal 2023 and subsequent years are open for examination. In addition, our state income tax returns generally have statutes of limitations ranging from three to four years from the filing date.

NOTE 21 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table presents supplemental cash flow information:

	Fiscal 2026	Fiscal 2025
Cash paid for:		
Interest	$ 66,423	$ 64,857
Income taxes, net of refunds received	12,680	17,342
Non-cash operating and investing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	44,667	53,737
Finance assets obtained in exchange for new finance lease liabilities	1,773	—
Accrued property and equipment purchases	698	902
Noncash refranchising transaction	312	—

Carl's Jr. SPV Guarantor LLC and subsidiaries, and Hardee's SPV Guarantor LLC and subsidiaries (the "CKE Securitization Entities")

Combined Consolidated Financial Statements
for the fiscal years ended January 27, 2025 and January 29, 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Managing Member
Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC:

Opinion

We have audited the combined consolidated financial statements of Carl's Jr. SPV Guarantor LLC and its subsidiaries, and Hardee's SPV Guarantor LLC and its subsidiaries (the Company), which comprise the combined consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related combined consolidated statements of income, members' deficit, and cash flows for each of the fiscal years then ended, and the related notes to the combined consolidated financial statements.

In our opinion, the accompanying combined consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 27, 2025 and January 29, 2024, and the results of its operations and its cash flows for each of the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Combined Consolidated 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 Combined Consolidated Financial Statements

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

In preparing the combined 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 for one year after the date that the combined consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined 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 combined 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

Management is responsible for the other information included in the supplemental schedules. The other information comprises the combining consolidating balance sheets and combining consolidating statements of operations included in the supplemental schedules, but does not include the combined consolidated financial statements and our auditors' report thereon. Our opinion on the combined consolidated 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 combined consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined 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.

KPMG LLP

Nashville, Tennessee
April 2, 2025

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED BALANCE SHEETS
(In thousands)

	January 31, 2025	January 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,581	$ 12,340
Cash and cash equivalents - restricted	18,147	15,942
Accounts receivable, net	23,790	21,748
Due from affiliates	2,458	425
Inventories	2,987	2,852
Prepaid expenses	721	470
Other current assets	—	79
Total current assets	58,684	53,856
Property and equipment, net	343,242	353,893
Operating lease assets	370,418	395,698
Intangible assets, net	760,749	777,538
Other assets, net	38,373	31,858
Total assets	$ 1,571,466	$ 1,612,843
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,512	1,515
Current portion of operating leases	73,887	73,773
Accounts payable	3,073	4,467
Due to affiliates	2,141	1,989
Other current liabilities	36,700	35,053
Total current liabilities	129,113	128,597
Long-term debt, less current portion	1,112,394	1,108,024
Finance leases, less current portion	21,279	23,369
Operating leases, less current portion	314,846	339,680
Other long-term liabilities	235,470	250,801
Total liabilities	1,813,102	1,850,471
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Members' deficit:		
Members' deficit	(241,636)	(237,628)
Total liabilities and members' deficit	$ 1,571,466	$ 1,612,843

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF INCOME
(In thousands)

	Fiscal 2025	Fiscal 2024
Revenue:		
Company-operated restaurants	$ 383,304	$ 368,842
Franchised restaurants and other	288,134	292,713
Total revenue	671,438	661,555
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	98,751	97,879
Payroll and other employee benefits	129,677	122,640
Occupancy and other	108,719	104,616
Total company-operated restaurants	337,147	325,135
Franchised restaurants and other	91,566	93,626
Advertising	21,763	20,726
General and administrative	43,710	47,953
Facility action charges, net	190	2,183
Total operating costs and expenses	494,376	489,623
Operating income	177,062	171,932
Interest expense	(68,772)	(61,863)
Other income, net	1,244	4,790
Income before income taxes	109,534	114,859
Income tax expense	6,346	5,914
Net income	$ 103,188	$ 108,945

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT
(In thousands)

	Members' Deficit
Balance as of January 31, 2023	$ (248,506)
Capital contributions	35,679
Distributions to members	(133,746)
Net income	108,945
Balance as of January 31, 2024	(237,628)
Capital contributions	36,922
Distributions to members	(144,118)
Net income	103,188
Balance as of January 31, 2025	$ (241,636)

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2025	Fiscal 2024
Cash flows from operating activities:		
Net income	$ 103,188	$ 108,945
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,342	46,692
Amortization of deferred financing costs	3,497	3,419
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	1,283	—
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	(1,386)	—
Gain on refranchising transaction	—	(817)
Gain on disposal of other property and equipment	(2,637)	(602)
Provision for losses on impairments, accounts receivable and other items, net	5,198	4,806
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(6,502)	(1,985)
Accounts payable and other current and long-term liabilities	(546)	(3,089)
Operating lease assets and liabilities, net	(115)	1,096
Net cash provided by operating activities	149,322	158,465
Cash flows from investing activities:		
Proceeds from refranchising transactions	—	2,092
Proceeds from sale of other property and equipment	8,128	2,412
Other investing activities	219	154
Net cash provided by investing activities	8,347	4,658
Cash flows from financing activities:		
Net change in book overdraft	(251)	(1,260)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	(2,068)	—
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	(5,792)	—
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	(330,750)	—
Issuance of Series 2024-1 Class A-2 Notes	350,000	—
Repayments of finance leases obligations	(1,571)	(1,520)
Repayments of financing method sale-leaseback obligations	(10,582)	(10,164)
Distributions to members	(144,118)	(133,746)
Net advances (to) from affiliates	(291)	276
Net cash used in financing activities	(157,223)	(158,214)
Net increase in cash, cash equivalents and restricted cash	446	4,909
Cash, cash equivalents and restricted cash at beginning of period	28,282	23,373
Cash, cash equivalents and restricted cash at end of period	$ 28,728	$ 28,282

See Accompanying Notes to Combined Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2025, our system-wide restaurant portfolio consisted of:

Company-operated	252
Domestic franchised	2,351
International franchised	1,160
Total restaurants	3,763

Basis of Presentation and Fiscal Year

These Combined Consolidated Financial Statements include the combined accounts of Carl's Jr. SPV Guarantor LLC and its consolidated subsidiaries, consisting of Carl's Jr. Funding LLC and Carl's Jr. Restaurants LLC, and Hardee's SPV Guarantor LLC and its consolidated subsidiaries, consisting of Hardee's Funding LLC and Hardee's Restaurants LLC (collectively, the "CKE Securitization Entities"). The indirect corporate parent of Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC is CKE Restaurants Holdings, Inc. ("CKE Restaurants"), and the indirect corporate parent of CKE Restaurants is CKE Holding Corporation ("CKE"). All of the CKE Securitization Entities are limited liability companies established on January 30, 2013 and were organized in the state of Delaware. The CKE Securitization Entities are special purpose, bankruptcy remote entities that hold substantially all of the restaurant businesses, franchising assets, real estate and other productive assets of CKE Restaurants and its subsidiaries. CKE Restaurants, together with certain other non-securitization entities, acts as the manager ("Manager") by managing and servicing the assets, performing certain franchising, marketing, real estate, intellectual property and operating and reporting services on behalf of the CKE Securitization Entities. References to "we", "us", "our" and the "Company" may relate to any or all of the CKE Securitization Entities, as may be applicable, but do not relate to CKE or CKE Restaurants.

These Combined Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in combination and consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The fiscal year ended January 29, 2024 is referred to herein as fiscal 2024 or the fiscal year ended January 31, 2024. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2025 and January 31, 2024. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a variable interest entity.

Estimations

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, finance lease assets and operating lease assets;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods; and
- estimation of the appropriate allowances associated with franchise and other receivables.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $18,147 and $15,942 as of January 31, 2025 and 2024, respectively, consisted of cash and cash equivalents that are held by the trustee of our Series 2018-1 Senior Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in

instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Combined Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Intangible Assets

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Combined Consolidated Balance Sheets. As of January 31, 2025 and 2024, our book overdraft liability was $116 and $367, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Combined Consolidated Statements of Cash Flows.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, franchise fees and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Domestic Carl’s Jr. restaurants contribute to a national advertising fund (the “Carl’s Jr. Fund”) that is administered by Manager. Domestic Hardee’s restaurants contribute to Hardee's National Advertising Fund (“HNAF”) that is administered by Manager and co-operative advertising funds that are administered by a third party (collectively, the “Hardee’s Funds”), but

consolidated by Manager since Manager is the primary beneficiary of the Hardee's Funds. Further, both international Carl's Jr. restaurants and Hardee's restaurants contribute to certain international advertising funds that are administered by Manager.

We expense advertising costs for company-operated restaurants' contributions to the Carl's Jr. Fund and the Hardee's Funds as company-operated restaurants revenue is earned since we are obligated to share ratably in the cost of the related advertising programs. The cost of local and incremental advertising that is not funded by the Carl's Jr. Fund or the Hardee's Funds is expensed as incurred.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Combined Consolidated Statements of Income as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a

reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2025	2024
Deferred franchise fees, beginning of year	$ 35,964	$ 36,129
Revenue recognized during the period	(5,395)	(5,084)
New deferrals due to cash received	3,775	4,919
Deferred franchise fees, end of year	$ 34,344	$ 35,964

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2026	$ 3,340
2027	2,961
2028	2,815
2029	2,693
2030	2,551
Thereafter	19,984
Total estimated future amortization income	$ 34,344

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2025 and January 31, 2024, respectively.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Comprehensive Income

We did not have any items of other comprehensive income during fiscal 2025 and 2024.

Subsequent Events

We have evaluated subsequent events through April 2, 2025, the date our Combined Consolidated Financial Statements were available to be issued. We concluded that no subsequent events required disclosure in these financial statements.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Combined Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Trade receivables	$ 26,269	$ 21,364
Leases receivable	217	181
Notes receivable	1,492	2,096
Allowance for credit losses	(4,188)	(1,893)
Total accounts receivable, net	$ 23,790	$ 21,748

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2025	Fiscal 2024
Allowance for credit losses, beginning of year	$ 1,893	$ 1,550
Provision	2,868	1,316
Recoveries	(404)	(540)
Charge-offs	(169)	(433)
Allowance for credit losses, end of year	$ 4,188	$ 1,893

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2025 and 2024:

	Estimated Useful Life	2025	2024
Land	Indefinite	$ 189,921	$ 191,712
Leasehold improvements	3-25 years	108,560	98,777
Buildings and improvements	3-40 years	169,591	189,373
Equipment, furniture and fixtures	3-8 years	118,404	108,475
Finance leases	5-33 years	15,173	18,174
		601,649	606,511
Less accumulated depreciation and amortization[(1)]		(258,407)	(252,618)
Total property and equipment, net		$ 343,242	$ 354,382

(1) The accumulated amortization related to finance leases was $1,195 and $333 as of January 31, 2025 and 2024, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2025 and 2024 was $30,661 and $31,280, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

CKE Restaurants Acquisition

During the fiscal year ended January 31, 2025, CKE Restaurants acquired one Carl's Jr. restaurant from a franchisee. During the year ended January 31, 2024, CKE Restaurants acquired nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees. CKE Restaurants contributed these restaurants to the CKE Securitization Entities (the “CKE Restaurants Acquisition”). In connection with the acquisition of these restaurants, the CKE Securitization Entities recorded the following:

	Fiscal 2025	Fiscal 2024
Net working capital	$ 5	$ 55
Property and equipment	106	12,281
Operating lease assets	—	5,048
Reacquired franchise rights	—	1,810
Operating leases	—	(5,048)
Finance leases	—	(10,708)
Net assets acquired and liabilities assumed	$ 111	$ 3,438

The acquisitions result in no goodwill.

Refranchising Transaction

During fiscal 2024, CKE Restaurants sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,265. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $817, which is included in facility action charges, net, in our accompanying Combined Consolidated Statements of Income. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — INTANGIBLE ASSETS, NET

The table below presents our intangible assets as of January 31, 2025 and 2024:

		2025			2024		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(176,641)	145,024	321,665	(160,157)	161,508
Favorable lease agreements	17	5,429	(4,104)	1,325	5,875	(4,245)	1,630
Total intangible assets		$ 941,494	$ (180,745)	$ 760,749	$ 941,940	$ (164,402)	$ 777,538

Amortization expense related to these intangible assets for fiscal 2025 and 2024 was $16,789 and $17,302, respectively. Our future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2026	$ 16,611
2027	16,532
2028	16,333
2029	16,273
2030	16,245
Thereafter	64,355
Total estimated future amortization expense	$ 146,349

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, current portion	$ 11,658	$ 11,287
Accrued interest	6,358	5,663
Accrued property taxes	4,146	2,952
Salaries, wages and other benefits	3,623	3,231
Deferred franchise and development fees	3,340	3,477
State sales tax	1,621	1,938
Utilities	992	1,004
Income taxes payable	500	545
Other accrued liabilities	4,462	4,956
Total other current liabilities	$ 36,700	$ 35,053

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Class A-2 Notes:		
4.959% Series 2018-1 Class A-2-II Notes, repaid in April 2024	$ —	$ 331,625
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	234,375	236,875
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	384,000	388,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	173,700	175,500
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	347,375	—
Unamortized deferred financing costs on Senior Notes	(15,256)	(12,176)
Total debt, net	1,124,194	1,119,824
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,112,394	$ 1,108,024

As of January 31, 2025, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2026	$ 11,800
2027	11,800
2028	383,800
2029	398,675
2030	3,500
Thereafter	329,875
Total long-term debt	$ 1,139,450

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the “Co-Issuers”) issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the “Indenture”) allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2025, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the “Class A-2 Notes”).

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and to extend the maturity date to March 2029, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest

and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2025, the Co-Issuers had zero outstanding loan borrowings, $24,245 of outstanding letters of credit and remaining availability of $100,755 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the CKE Securitization Entities, but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect to repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that we do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. We may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to the anticipated repayment date for the Series 2024-1 Class A-2 Notes, we may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, we completed a refinancing transaction (the "Series 2024-1 Refinancing") under which we issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full our outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, we recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Combined Consolidated Statements of Income.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Combined Consolidated Statements of Income using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Series 2018-1 Class A-2-III Notes	$ 16,386	$ 30,013
Series 2020-1 Class A-2 Notes	15,303	15,466
Series 2021-1 Class A-2 Notes	4,981	5,034
Series 2024-1 Class A-2 Notes	20,593	—
Amortization of deferred financing costs	3,497	3,419
Finance leases	1,379	1,318
Financing method sale-leaseback obligations (see Note 10)	5,363	5,793
Letter of credit fees, commitment fees and other	1,270	820
Total interest expense	$ 68,772	$ 61,863

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2025 and 2024 are as follows:

	2025	2024
Land	$ 99,835	$ 104,028
Leasehold improvements	3,253	3,916
Buildings and improvements	65,883	68,563
	168,971	176,507
Less accumulated depreciation and amortization	(55,096)	(57,231)
Total assets leased to others	$ 113,875	$ 119,276

The components of lease income for January 31, 2025 and 2024 are as follows:

	2025	2024
Rent revenue:		
Minimum rent revenue	$ 84,812	$ 87,594
Variable lease revenue	5,149	6,334
Total rent revenue	$ 89,961	$ 93,928

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Combined Consolidated Balance Sheet. As of January 31, 2025, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2026	$ 366	$ 75,885	$ 7,719
2027	359	68,404	7,764
2028	347	60,546	7,441
2029	254	49,805	6,752
2030	218	39,494	6,485
Thereafter	2,741	98,112	38,093
Total future minimum lease and sublease rent revenue	4,285	$ 392,246	$ 74,254
Unearned interest income	(1,315)		
Present value of leases receivable	2,970		
Less current portion	(217)		
Leases receivable, less current portion	$ 2,753		

Company as Lessee

The components of lease cost for January 31, 2025 and 2024 are as follows:

	Fiscal 2025	Fiscal 2024
Finance lease cost:		
Amortization of finance lease assets	$ 1,339	$ 1,596
Interest on finance lease liabilities	1,670	1,572
Variable lease cost	9	2
Total finance lease cost	3,018	3,170
Operating lease cost	83,652	85,267
Variable lease cost	1,040	1,229
Total operating lease cost	84,692	86,496
Total lease cost	$ 87,710	$ 89,666

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2025 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2026	$ 1,593	$ 1,304	$ 16,542	$ 65,372
2027	1,617	1,245	15,644	57,990
2028	1,631	1,190	14,576	49,723
2029	1,642	1,049	12,897	39,030
2030	1,678	977	9,490	28,905
Thereafter	14,464	3,766	42,393	77,616
Total minimum lease payments	22,625	9,531	111,542	318,636
Less amount representing interest	(6,913)	(2,452)	(11,801)	(29,644)
Present value of minimum lease payments	15,712	7,079	99,741	288,992
Less current portion	(726)	(786)	(14,292)	(59,595)
Lease obligations, less current portion	$ 14,986	$ 6,293	$ 85,449	$ 229,397

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2025	Fiscal 2024
Rent revenue:		
Minimum rent revenue	$ 84,812	$ 87,594
Variable rent revenue	5,149	6,334
Total rent revenue	89,961	93,928
Rent expense:		
Operating lease cost	(83,652)	(85,267)
Variable lease cost	(1,040)	(1,229)
Total operating lease cost	(84,692)	(86,496)
Net rent income	$ 5,269	$ 7,432

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2025	2024
Finance leases	12.28 years	12.11 years
Operating leases	7.20 years	7.61 years

Weighted-average discount rate:

	2025	2024
Finance leases	6.2 %	6.5 %
Operating leases	2.7 %	2.4 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

For all of our 125 restaurant property financing method sale-leaseback transactions, whether assumed by or completed by the CKE Securitization Entities, the initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Combined Consolidated Balance Sheets was $113,775 and $115,805 as of January 31, 2025 and 2024, respectively.

During fiscal 2025, the lease agreements for one of our restaurant properties was terminated. As we no longer have involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Combined Consolidated Statements of Income.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2025, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:		
2026	$	16,074
2027		16,267
2028		17,099
2029		17,661
2030		17,666
Thereafter		48,094
Total minimum lease payments		132,861
Less amount representing interest		(26,955)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds		101,959
Financing method sale-leaseback liability		207,865
Less current portion		(11,658)
Financing method sale-leaseback liability, less current portion	$	196,207

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, long-term portion	$ 196,207	$ 208,337
Deferred franchise and development fees	31,004	32,487
Deferred beverage income	5,391	5,721
Unfavorable lease agreements	2,714	4,132
Other	154	124
Total other long-term liabilities	$ 235,470	$ 250,801

NOTE 12 — MEMBERS' DEFICIT

During fiscal 2025 and 2024, the CKE Securitization Entities received capital contributions of $36,922 and $35,679, respectively, consisting principally of property and equipment and assets associated with the CKE Restaurants Acquisition (see Note 5). During fiscal 2025 and 2024, the CKE Securitization Entities paid total cash distributions of $144,118 and $133,746, respectively, to members.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2025 and 2024:

	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ —	$ —	$ 329,928	$ 315,044
Series 2018-1 Class A-2-III Notes	232,031	227,297	234,366	222,070
Series 2020-1 Class A-2 Notes	379,552	362,842	382,905	344,350
Series 2021-1 Class A-2 Notes	171,186	154,454	172,625	146,543
Series 2024-1 Class A-2 Notes	341,425	364,858	—	—

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 1,273
Assets to be held and used (Level 3)[2]	$ —	$ 1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for five domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	$ —	$ 1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Combined Consolidated Statements of Income. As of January 31, 2025, the nominal value of the lease obligations under the remaining master leases' primary terms is $400,271.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2025, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $24,245, expiring at various dates through October 2025. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an interest

reserve as required by the Indenture and letters of credit of $9,095, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2025, we had unconditional purchase obligations in the amount of $63,767, which consisted primarily of contracts for goods and services related to restaurant operations. Our unconditional purchase obligations for fiscal 2026, 2027, 2028, 2029 and 2030 are estimated to be $60,523, $937, $937 , $838 and $532, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2025	Fiscal 2024
Royalties	$ 190,783	$ 190,123
Rent and other occupancy	91,956	97,506
Franchise fees	5,395	5,084
Total franchised restaurants and other revenue	$ 288,134	$ 292,713

Franchised restaurants and other expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Rent and other occupancy	$ 72,585	$ 75,723
Amortization of franchise agreements	16,483	16,857
Other	2,498	1,046
Total franchised restaurants and other expense	$ 91,566	$ 93,626

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2025	Fiscal 2024
Closed store expenses	$ 2,176	$ 2,148
Impairment of assets to be held and used	1,667	1,044
Impairment of assets to be disposed of	1,273	3,311
Other losses, net	29	—
Gain on disposal of other property and equipment	(3,869)	(3,503)
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	(1,086)	—
Gain on refranchising transaction	—	(817)
Total facility action charges, net	$ 190	$ 2,183

Impairment charges recorded against property and equipment of 2,940 and $4,355 were recognized in facility action charges, net in fiscal 2025 and 2024, respectively.

NOTE 17 — EMPLOYEE RETIREMENT PLAN

We and CKE Restaurants sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2025 and 2024, our matching contributions to the 401(k) Plan were $129 and $113, respectively.

NOTE 18 — RELATED PARTY TRANSACTIONS

Transactions with CKE Restaurants and its Subsidiaries

The CKE Securitization Entities have a management agreement with CKE Restaurants (the "Management Agreement"), pursuant to which CKE Restaurants, as Manager, is required to manage and service the assets of the CKE Securitization Entities in accordance with the terms set forth in the Management Agreement. The primary responsibilities of Manager are to administer collections on behalf of the CKE Securitization Entities, and to perform certain activities pertaining to franchising, marketing, real estate management, intellectual property matters, operations and reporting on behalf of the CKE Securitization Entities. The CKE Securitization Entities are obligated to pay Manager a management fee using a formula provided within the Management Agreement, which is calculated using a base fee of $10,300 per annum and a variable fee based upon retained collections for the last four quarterly collection periods. Prior to April 4, 2024, the CKE Securitization Entities were obligated to pay Manager a management fee using a formula provided within a prior management agreement, which was calculated using a base fee of $15,000 per annum and a variable fee based upon retained collections for the last four quarterly collection periods, subject to annual increases for inflation.

During fiscal 2025 and 2024, the CKE Securitization Entities incurred management fee expenses of $43,422 and $49,252, respectively, which are included in general and administrative expense in our accompanying Combined Consolidated Statements of Income.

As of January 31, 2025, we had outstanding receivables from affiliates of $2,458 and payables to affiliates of $2,141. As of January 31, 2024, we had outstanding receivables from affiliates of $425 and payables to affiliates of $1,989.

NOTE 19 — INCOME TAXES

For fiscal 2025 and 2024, income tax expense consisted of current foreign taxes of $6,346 and $5,914, respectively.

As a direct result of our corporate structure, the CKE Securitization Entities are each a limited liability company that is disregarded as an entity separate from its indirect owners, CKE and CKE Restaurants, for federal and state income tax purposes, and are not jointly and severally liable for any income taxes owed by the parent corporate entities. Further, no tax sharing agreement exists, or is expected to exist, between the CKE Securitization Entities and their indirect parent companies that would require the CKE Securitization Entities to directly or indirectly reimburse their indirect parent companies for taxes related to the operations of the CKE Securitization Entities.

NOTE 20 — SUPPLEMENTAL CASH FLOW INFORMATION

	Fiscal 2025	Fiscal 2024
Cash paid for:		
Interest, net of amounts capitalized	$ 64,855	$ 59,155
Income taxes	6,390	5,737
Non-cash activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	53,232	65,562
Contributed property and equipment[(1)]	30,130	28,511
Contributed other assets[(1)]	6,681	3,730
Contributed assets for the CKE Restaurants Acquisition (see Note 5)[(1)]	111	3,438

(1) Contributed property and equipment, contributed other assets and contributed assets for the CKE Restaurants Acquisition represent assets purchased by CKE Restaurants and certain of its wholly owned subsidiaries on behalf of the CKE Securitization Entities pursuant to the Management Agreement. For accounting purposes, these purchases are treated as non-cash contributions to the CKE Securitization Entities.

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 1,347	$ 2,452	$ —	$ 3,397	$ 3,385	$ —	$ —	$ 10,581
Cash and cash equivalents - restricted	—	18,147	—	—	—	—	—	18,147
Accounts receivable, net	11,088	—	—	12,702	—	—	—	23,790
Due from affiliates	13,088	18,528	—	57,488	225	—	(86,871)	2,458
Inventories	528	—	—	2,459	—	—	—	2,987
Prepaid expenses	148	17	—	539	17	—	—	721
Other current assets	—	—	—	—	—	—	—	—
Total current assets	26,199	39,144	—	76,585	3,627	—	(86,871)	58,684
Property and equipment, net	83,854	—	—	259,388	—	—	—	343,242
Operating lease assets	283,395	—	—	87,023	—	—	—	370,418
Intangible assets, net	372,047	—	—	388,702	—	—	—	760,749
Other assets, net	16,104	—	—	22,269	—	—	—	38,373
Total assets	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	591	—	—	921	—	—	—	1,512
Current portion of operating leases	58,041	—	—	15,846	—	—	—	73,887
Accounts payable	1,597	3	—	1,470	3	—	—	3,073
Due to affiliates	437	56,756	—	7,533	24,286	—	(86,871)	2,141
Other current liabilities	10,380	3,195	—	19,945	3,180	—	—	36,700
Total current liabilities	71,046	65,854	—	45,715	33,369	—	(86,871)	129,113
Long-term debt, less current portion	—	556,197	—	—	556,197	—	—	1,112,394
Finance leases, less current portion	5,496	—	—	15,783	—	—	—	21,279
Operating leases, less current portion	237,778	—	—	77,068	—	—	—	314,846
Other long-term liabilities	63,918	—	—	171,552	—	—	—	235,470
Total liabilities	378,238	622,051	—	310,118	589,566	—	(86,871)	1,813,102
Members' equity (deficit):								
Members' equity (deficit)	403,361	(582,907)	—	523,849	(585,939)	—	—	(241,636)
Total liabilities and members' deficit	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,117	$ 3,996	$ —	$ 3,685	$ 2,542	$ —	$ —	$ 12,340
Cash and cash equivalents - restricted	—	15,942	—	—	—	—	—	15,942
Accounts receivable, net	11,160	—	—	10,588	—	—	—	21,748
Due from affiliates	11,625	20,328	—	56,241	238	—	(88,007)	425
Inventories	559	—	—	2,293	—	—	—	2,852
Prepaid expenses	112	22	—	314	22	—	—	470
Other current assets	79	—	—	—	—	—	—	79
Total current assets	25,652	40,288	—	73,121	2,802	—	(88,007)	53,856
Property and equipment, net	83,156	—	—	270,737	—	—	—	353,893
Operating lease assets	304,577	—	—	91,121	—	—	—	395,698
Intangible assets, net	378,456	—	—	399,082	—	—	—	777,538
Other assets, net	16,259	—	—	15,599	—	—	—	31,858
Total assets	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	698	—	—	817	—	—	—	1,515
Current portion of operating leases	57,919	—	—	15,854	—	—	—	73,773
Accounts payable	2,676	—	—	1,791	—	—	—	4,467
Due to affiliates	658	57,049	—	5,579	26,710	—	(88,007)	1,989
Other current liabilities	9,737	2,847	—	19,637	2,832	—	—	35,053
Total current liabilities	71,688	65,796	—	43,678	35,442	—	(88,007)	128,597
Long-term debt, less current portion	—	554,012	—	—	554,012	—	—	1,108,024
Finance leases, less current portion	6,663	—	—	16,706	—	—	—	23,369
Operating leases, less current portion	259,057	—	—	80,623	—	—	—	339,680
Other long-term liabilities	66,746	(1)	—	184,056	—	—	—	250,801
Total liabilities	404,154	619,807	—	325,063	589,454	—	(88,007)	1,850,471
Members' equity (deficit):								
Members' equity (deficit)	403,946	(579,519)	—	524,597	(586,652)	—	—	(237,628)
Total liabilities and members' deficit	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 111,187	$ —	$ —	$ 272,117	$ —	$ —	$ —	$ 383,304
Franchised restaurants and other	173,988	5,573	—	114,147	13,626	—	(19,200)	288,134
Total revenue	285,175	5,573	—	386,264	13,626	—	(19,200)	671,438
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	26,976	—	—	71,775	—	—	—	98,751
Payroll and other employee benefits	38,263	—	—	91,414	—	—	—	129,677
Occupancy and other	37,063	—	—	90,856	—	—	(19,200)	108,719
Total company-operated restaurants	102,302	—	—	254,045	—	—	(19,200)	337,147
Franchised restaurants and other	68,453	—	—	23,113	—	—	—	91,566
Advertising	6,775	—	—	14,988	—	—	—	21,763
General and administrative	63	22,295	—	(281)	21,633	—	—	43,710
Facility action charges, net	(1,686)	—	—	1,876	—	—	—	190
Total operating costs and expenses	175,907	22,295	—	293,741	21,633	—	(19,200)	494,376
Operating income (loss)	109,268	(16,722)	—	92,523	(8,007)	—	—	177,062
Interest expense	(1,422)	(31,032)	—	(5,319)	(30,999)	—	—	(68,772)
Other income (loss), net	1,143	104,400	60,034	517	86,881	47,162	(298,893)	1,244
Income (loss) before income taxes	108,989	56,646	60,034	87,721	47,875	47,162	(298,893)	109,534
Income tax expense	4,966	—	—	1,380	—	—	—	6,346
Net income (loss)	$ 104,023	$ 56,646	$ 60,034	$ 86,341	$ 47,875	$ 47,162	$ (298,893)	$ 103,188

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 112,928	$ —	$ —	$ 255,914	$ —	$ —	$ —	$ 368,842
Franchised restaurants and other	175,402	5,643	—	117,311	12,594	—	(18,237)	292,713
Total revenue	288,330	5,643	—	373,225	12,594	—	(18,237)	661,555
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	28,645	—	—	69,234	—	—	—	97,879
Payroll and other employee benefits	34,371	—	—	88,269	—	—	—	122,640
Occupancy and other	36,600	—	—	86,253	—	—	(18,237)	104,616
Total company-operated restaurants	99,616	—	—	243,756	—	—	(18,237)	325,135
Franchised restaurants and other	68,884	—	—	24,742	—	—	—	93,626
Advertising	6,889	—	—	13,837	—	—	—	20,726
General and administrative	(2,038)	24,442	—	213	25,336	—	—	47,953
Facility action charges, net	(1,128)	—	—	3,311	—	—	—	2,183
Total operating costs and expenses	172,223	24,442	—	285,859	25,336	—	(18,237)	489,623
Operating income (loss)	116,107	(18,799)	—	87,366	(12,742)	—	—	171,932
Interest expense	(1,460)	(27,431)	—	(5,652)	(27,320)	—	—	(61,863)
Other income (loss), net	3,589	112,499	61,153	406	81,860	36,915	(291,632)	4,790
Income (loss) before income taxes	118,236	66,269	61,153	82,120	41,798	36,915	(291,632)	114,859
Income tax expense	4,453	—	—	1,461	—	—	—	5,914
Net income (loss)	$ 113,783	$ 66,269	$ 61,153	$ 80,659	$ 41,798	$ 36,915	$ (291,632)	$ 108,945

Carl's Jr. SPV Guarantor LLC and subsidiaries, and Hardee's SPV Guarantor LLC and subsidiaries (the "CKE Securitization Entities")

Combined Consolidated Financial Statements
for the fiscal years ended January 26, 2026 and January 27, 2025

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Managing Member
Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC:

Opinion

We have audited the combined consolidated financial statements of Carl's Jr. SPV Guarantor LLC and its subsidiaries, and Hardee's SPV Guarantor LLC and its subsidiaries (the Company), which comprise the combined consolidated balance sheets as of January 26, 2026 and January 27, 2025, and the related combined consolidated statements of income, members' deficit, and cash flows for the fiscal years then ended, and the related notes to the combined consolidated financial statements.

In our opinion, the accompanying combined consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 26, 2026 and January 27, 2025, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Combined Consolidated 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 Combined Consolidated Financial Statements

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

In preparing the combined 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 for one year after the date that the combined consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined 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 combined 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

Management is responsible for the other information included in the supplemental schedules. The other information comprises the combining consolidating balance sheets and combining consolidating statements of operations included in the supplemental schedules but does not include the combined consolidated financial statements and our auditors' report thereon. Our opinion on the combined consolidated 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 audits of the combined consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined 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.

KPMG LLP

Nashville, Tennessee
April 1, 2026

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED BALANCE SHEETS
(In thousands)

	January 31, 2026	January 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,129	$ 10,581
Cash and cash equivalents - restricted	17,807	18,147
Accounts receivable, net	30,694	23,790
Due from affiliates	1,280	2,458
Inventories	3,195	2,987
Prepaid expenses	613	721
Total current assets	63,718	58,684
Property and equipment, net	320,737	343,242
Operating lease assets	339,629	370,418
Intangible assets, net	744,186	760,749
Other assets, net	36,903	38,373
Total assets	$ 1,505,173	$ 1,571,466
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,634	1,512
Current portion of operating leases	70,846	73,887
Accounts payable	2,553	3,073
Due to affiliates	1,503	2,141
Other current liabilities	37,851	36,700
Total current liabilities	126,187	129,113
Long-term debt, less current portion	1,104,224	1,112,394
Finance leases, less current portion	21,368	21,279
Operating leases, less current portion	286,390	314,846
Other long-term liabilities	223,078	235,470
Total liabilities	1,761,247	1,813,102
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Members' deficit	(256,074)	(241,636)
Total liabilities and members' deficit	$ 1,505,173	$ 1,571,466

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF INCOME
(In thousands)

	Fiscal 2026	Fiscal 2025
Revenue:		
Company-operated restaurants	$ 383,328	$ 383,304
Franchised restaurants and other	285,289	288,134
Total revenue	668,617	671,438
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	99,726	98,751
Payroll and other employee benefits	128,295	129,677
Occupancy and other	103,334	108,719
Total company-operated restaurants	331,355	337,147
Franchised restaurants and other	89,559	91,566
Advertising	21,799	21,763
General and administrative	43,361	43,710
Facility action charges, net	5,863	190
Total operating costs and expenses	491,937	494,376
Operating income	176,680	177,062
Interest expense	(69,548)	(68,772)
Other income, net	4,001	1,244
Income before income taxes	111,133	109,534
Income tax expense	7,131	6,346
Net income	$ 104,002	$ 103,188

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT
(In thousands)

	Members' Deficit
Balance as of January 31, 2024	$ (237,628)
Capital contributions	36,922
Distributions to members	(144,118)
Net income	103,188
Balance as of January 31, 2025	(241,636)
Capital contributions	14,833
Distributions to members	(133,273)
Net income	104,002
Balance as of January 31, 2026	$ (256,074)

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2026	Fiscal 2025
Cash flows from operating activities:		
Net income	$ 104,002	$ 103,188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,185	47,342
Amortization of deferred financing costs	3,630	3,497
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	—	1,283
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	—	(1,386)
Loss on refranchising transaction	14	—
Loss (gain) on disposal of other property and equipment	4,169	(2,637)
Provision for losses on impairments, accounts receivable and other items, net	3,826	5,198
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(7,542)	(6,502)
Accounts payable and other current and long-term liabilities	(214)	(546)
Operating lease assets and liabilities, net	(660)	(115)
Net cash provided by operating activities	148,410	149,322
Cash flows from investing activities:		
Proceeds from refranchising transactions	601	—
Proceeds from sale of other property and equipment	6,796	8,128
Other investing activities	660	219
Net cash provided by investing activities	8,057	8,347
Cash flows from financing activities:		
Net change in book overdraft	59	(251)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	—	(2,068)
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	—	(5,792)
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	—	(330,750)
Issuance of Series 2024-1 Class A-2 Notes	—	350,000
Repayments of finance leases obligations	(1,554)	(1,571)
Repayments of financing method sale-leaseback obligations	(11,032)	(10,582)
Distributions to members	(133,273)	(144,118)
Net advances from (to) affiliates	341	(291)
Net cash used in financing activities	(157,259)	(157,223)
Net (decrease) increase in cash, cash equivalents and restricted cash	(792)	446
Cash, cash equivalents and restricted cash at beginning of period	28,728	28,282
Cash, cash equivalents and restricted cash at end of period	$ 27,936	$ 28,728

See Accompanying Notes to Combined Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2026, our system-wide restaurant portfolio consisted of:

Company-operated	248
Domestic franchised	2,229
International franchised	1,230
Total restaurants	3,707

Basis of Presentation and Fiscal Year

These Combined Consolidated Financial Statements include the combined accounts of Carl's Jr. SPV Guarantor LLC and its consolidated subsidiaries, consisting of Carl's Jr. Funding LLC and Carl's Jr. Restaurants LLC, and Hardee's SPV Guarantor LLC and its consolidated subsidiaries, consisting of Hardee's Funding LLC and Hardee's Restaurants LLC (collectively, the "CKE Securitization Entities"). The indirect corporate parent of Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC is CKE Restaurants Holdings, Inc. ("CKE Restaurants"), and the direct corporate parent of CKE Restaurants is CKE Holding Corporation ("CKE"). All of the CKE Securitization Entities are limited liability companies established on January 30, 2013 and were organized in the state of Delaware. The CKE Securitization Entities are special purpose, bankruptcy remote entities that hold substantially all of the restaurant businesses, franchising assets, real estate and other productive assets of CKE Restaurants and its subsidiaries. CKE Restaurants, together with certain other non-securitization entities, acts as the manager ("Manager") by managing and servicing the assets, performing certain franchising, marketing, real estate, intellectual property and operating and reporting services on behalf of the CKE Securitization Entities. References to "we", "us", "our" and the "Company" may relate to any or all of the CKE Securitization Entities, as may be applicable, but do not relate to CKE or CKE Restaurants.

These Combined Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in combination and consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 26, 2026 is referred to herein as fiscal 2026 or the fiscal year ended January 31, 2026. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Geopolitical Conflicts

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2026 and January 31, 2025. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Geopolitical conflicts and related instability in the Middle East and Latin America have adversely affected, and may continue to adversely affect, performance in our international markets. These impacts may include decreased guest traffic at franchisee-operated restaurants, reduced franchisee profitability, temporary store closures, limited operating hours, delays in restaurant development and other disruptions to franchisee operations.

Variable Interest Entities

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a variable interest entity.

Estimations

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, finance lease assets and operating lease assets;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods; and
- estimation of the appropriate allowances associated with franchise and other receivables.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $17,807 and $18,147 as of January 31, 2026 and 2025, respectively, consisted of cash and cash equivalents that are held by the trustee of our 2018-1 Class A-2-III Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in

instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Combined Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Intangible Assets

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Combined Consolidated Balance Sheets. As of January 31, 2026 and 2025, our book overdraft liability was $175 and $116, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Combined Consolidated Statements of Cash Flows.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, franchise fees and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Domestic Carl’s Jr. restaurants contribute to a national advertising fund (the “Carl’s Jr. Fund”) that is administered by Manager. Domestic Hardee’s restaurants contribute to Hardee's National Advertising Fund (“HNAF”) that is administered by Manager and co-operative advertising funds that are administered by a third party (collectively, the “Hardee’s Funds”), but

consolidated by Manager since Manager is the primary beneficiary of the Hardee's Funds. Further, both international Carl's Jr. restaurants and Hardee's restaurants contribute to certain international advertising funds that are administered by Manager.

We expense advertising costs for company-operated restaurants' contributions to the Carl's Jr. Fund and the Hardee's Funds as company-operated restaurants revenue is earned since we are obligated to share ratably in the cost of the related advertising programs. The cost of local and incremental advertising that is not funded by the Carl's Jr. Fund or the Hardee's Funds is expensed as incurred.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Combined Consolidated Statements of Income as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a

reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2026	2025
Deferred franchise fees, beginning of year	$ 34,344	$ 35,964
Revenue recognized during the period	(4,793)	(5,395)
New deferrals due to cash received	5,110	3,775
Deferred franchise fees, end of year	$ 34,661	$ 34,344

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2027	$ 3,415
2028	3,103
2029	2,980
2030	2,834
2031	2,648
Thereafter	19,681
Total estimated future amortization income	$ 34,661

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Combined Consolidated Balance Sheets as of January 31, 2026 and January 31, 2025, respectively.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Comprehensive Income

We did not have any items of other comprehensive income during fiscal 2026 and 2025.

Subsequent Events

We have evaluated subsequent events through April 1, 2026, the date our Combined Consolidated Financial Statements were available to be issued and, except for certain geopolitical conflicts discussed in Note 1 and the acquisition discussed in Note 5, have determined that no subsequent events occurred after the balance sheet date requiring disclosure.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Combined Consolidated Financial Statements.

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued an amendment to provide a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets for revenue arising from contracts with customers. The standard is effective for annual reporting periods beginning after December 15, 2025 for both public and private entities. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Combined Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Trade receivables	$ 34,895	$ 26,269
Leases receivable	266	217
Notes receivable	1,666	1,492
Allowance for credit losses	(6,133)	(4,188)
Total accounts receivable, net	$ 30,694	$ 23,790

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2026	Fiscal 2025
Allowance for credit losses, beginning of year	$ 4,188	$ 1,893
Provision	3,187	2,868
Recoveries	(1,065)	(404)
Charge-offs	(177)	(169)
Allowance for credit losses, end of year	$ 6,133	$ 4,188

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2026 and 2025:

	Estimated Useful Life	2026	2025
Land	Indefinite	$ 183,415	$ 189,921
Leasehold improvements	3-25 years	99,473	108,560
Buildings and improvements	3-40 years	170,266	169,591
Equipment, furniture and fixtures	3-8 years	113,636	118,404
Finance leases	5-33 years	15,202	15,173
		581,992	601,649
Less accumulated depreciation and amortization[1]		(261,255)	(258,407)
Total property and equipment, net		$ 320,737	$ 343,242

(1) The accumulated amortization related to finance leases was $2,258 and $1,195 as of January 31, 2026 and 2025, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2026 and 2025 was $23,433 and $30,661, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

CKE Restaurants Acquisition

During the fiscal year ended January 31, 2026, CKE Restaurants acquired two Hardee's restaurants from a franchisee. During the year ended January 31, 2025, CKE Restaurants acquired one Carl's Jr. restaurant from a franchisee. CKE Restaurants contributed these restaurants to the CKE Securitization Entities (the “CKE Restaurants Acquisition”). In connection with the acquisition of these restaurants, the CKE Securitization Entities recorded the following:

	Fiscal 2026	Fiscal 2025
Net working capital	$ 16	$ 5
Property and equipment	37	106
Reacquired franchise rights	259	—
Net assets acquired and liabilities assumed	$ 312	$ 111

The acquisitions result in no goodwill.

In the first quarter of fiscal 2027, CKE Restaurants purchased twenty-three Hardee's restaurants from a franchisee for $690 in cash. Due to the close proximity of the acquisition date to the end of fiscal 2026, the allocation of the purchase price to the assets acquired and liabilities assumed is incomplete. The purchase price allocation and CKE Restaurants contribution of these restaurants to the CKE Securitization Entities will be recorded by January 31, 2027.

Refranchising Transaction

During fiscal 2026, CKE Restaurants sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $615. In connection with the sale of this restaurant, we received aggregate consideration of $601, and recognized a net loss of $14, which is included in facility action charges, net, in our accompanying Combined Consolidated Statements of Income. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — INTANGIBLE ASSETS, NET

The table below presents our intangible assets as of January 31, 2026 and 2025:

		2026			2025		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,924	(193,171)	128,753	321,665	(176,641)	145,024
Favorable lease agreements	17	4,660	(3,627)	1,033	5,429	(4,104)	1,325
Total intangible assets		$ 940,984	$ (196,798)	$ 744,186	$ 941,494	$ (180,745)	$ 760,749

Amortization expense related to these intangible assets for fiscal 2026 and 2025 was $16,804 and $16,789, respectively. Our future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2027	$ 16,549
2028	16,350
2029	16,290
2030	16,262
2031	16,218
Thereafter	48,117
Total estimated future amortization expense	$ 129,786

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Financing method sale-leaseback liability, current portion	$ 11,736	$ 11,658
Accrued interest	6,125	6,358
Salaries, wages and other benefits	3,705	3,623
Accrued property taxes	3,494	4,146
Deferred franchise and development fees	3,415	3,340
Estimated liability for deferred rent, current portion	1,962	2,520
Accrued loyalty deferral	1,905	1,043
State sales tax	1,834	1,621
Utilities	991	992
Estimated liability for litigation	795	—
Income taxes payable	575	500
Other accrued liabilities	1,314	899
Total other current liabilities	$ 37,851	$ 36,700

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Class A-2 Notes:		
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	$ 231,875	$ 234,375
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	380,000	384,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	171,900	173,700
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	343,875	347,375
Unamortized deferred financing costs on Senior Notes	(11,626)	(15,256)
Total debt, net	1,116,024	1,124,194
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,104,224	$ 1,112,394

As of January 31, 2026, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2027	$ 11,800
2028	383,800
2029	398,675
2030	3,500
2031	3,500
Thereafter	326,375
Total long-term debt	$ 1,127,650

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the “Co-Issuers”) issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the “Indenture”) allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2026, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the “Class A-2 Notes”).

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and to extend the maturity date to March 2029, including options for further extensions for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2026, the Co-Issuers had zero outstanding loan borrowings, $22,821

of outstanding letters of credit and remaining availability of $102,179 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the CKE Securitization Entities, but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect to repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that we do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. We may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to the anticipated repayment date for the Series 2024-1 Class A-2 Notes, we may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, we completed a refinancing transaction (the "Series 2024-1 Refinancing") under which we issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full the Co-Issuer's outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, we recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Combined Consolidated Statements of Income.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Combined Consolidated Statements of Income using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2026	Fiscal 2025
Series 2018-1 Class A-2-II Notes	$ —	$ 2,988
Series 2018-1 Class A-2-III Notes	13,277	13,398
Series 2020-1 Class A-2 Notes	15,168	15,303
Series 2021-1 Class A-2 Notes	4,938	4,981
Series 2024-1 Class A-2 Notes	25,004	20,593
Amortization of deferred financing costs	3,630	3,497
Finance leases	1,424	1,379
Financing method sale-leaseback obligations (see Note 10)	4,838	5,363
Letter of credit fees, commitment fees and other	1,269	1,270
Total interest expense	$ 69,548	$ 68,772

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2026 and 2025 are as follows:

	2026	2025
Land	$ 97,005	$ 99,835
Leasehold improvements	5,292	3,253
Buildings and improvements	69,673	65,883
	171,970	168,971
Less accumulated depreciation and amortization	(60,358)	(55,096)
Total assets leased to others	$ 111,612	$ 113,875

The components of lease income for the years ended January 31, 2026 and 2025 are as follows:

	2026	2025
Rent revenue:		
Minimum rent revenue	$ 81,041	$ 84,812
Variable lease revenue	4,950	5,149
Total rent revenue	$ 85,991	$ 89,961

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Combined Consolidated Balance Sheet. As of January 31, 2026, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2027	$ 460	$ 73,276	$ 6,757
2028	448	67,220	6,374
2029	355	56,946	5,730
2030	319	46,900	5,434
2031	315	35,953	5,670
Thereafter	4,170	76,506	25,706
Total future minimum lease and sublease rent revenue	6,067	$ 356,801	$ 55,671
Unearned interest income	(1,885)		
Present value of leases receivable	4,182		
Less current portion	(266)		
Leases receivable, less current portion	$ 3,916		

Company as Lessee

The components of lease cost for the years ended January 31, 2026 and January 31, 2025 are as follows:

	Fiscal 2026	Fiscal 2025
Finance lease cost:		
Amortization of finance lease assets	$ 1,690	$ 1,339
Interest on finance lease liabilities	1,674	1,670
Variable lease cost	15	9
Total finance lease cost	3,379	3,018
Operating lease cost	82,117	83,652
Variable lease cost	943	1,040
Total operating lease cost	83,060	84,692
Total lease cost	$ 86,439	$ 87,710

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2026 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2027	$ 1,500	$ 1,392	$ 16,659	$ 62,527
2028	1,514	1,337	15,825	56,405
2029	1,521	1,200	14,179	46,092
2030	1,547	1,136	10,887	36,073
2031	1,591	1,125	8,991	25,358
Thereafter	11,658	6,076	36,802	64,539
Total minimum lease payments	19,331	12,266	103,343	290,994
Less amount representing interest	(5,395)	(3,200)	(10,445)	(26,656)
Present value of minimum lease payments	13,936	9,066	92,898	264,338
Less current portion	(682)	(952)	(11,882)	(58,964)
Lease obligations, less current portion	$ 13,254	$ 8,114	$ 81,016	$ 205,374

Net Rent Income

Net rent under non-cancelable operating leases for the years ended January 31, 2026 and January 31, 2025 are as follows:

	Fiscal 2026	Fiscal 2025
Rent revenue:		
Minimum rent revenue	$ 81,041	$ 84,812
Variable rent revenue	4,950	5,149
Total rent revenue	85,991	89,961
Rent expense:		
Operating lease cost	(82,117)	(83,652)
Variable lease cost	(943)	(1,040)
Total operating lease cost	(83,060)	(84,692)
Net rent income	$ 2,931	$ 5,269

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2026	2025
Finance leases	12.53 years	12.28 years
Operating leases	6.71 years	7.20 years

Weighted-average discount rate:

	2026	2025
Finance leases	5.9 %	6.2 %
Operating leases	2.9 %	2.7 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

For all of our 125 restaurant property financing method sale-leaseback transactions, whether assumed by or completed by the CKE Securitization Entities, the initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Combined Consolidated Balance Sheets was $112,481 and $113,775 as of January 31, 2026 and 2025, respectively.

During fiscal 2025, the lease agreements for one of our restaurant properties was terminated. As we no longer have involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Combined Consolidated Statements of Income.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2026, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2027	$ 15,784
2028	16,602
2029	17,130
2030	17,135
2031	17,146
Thereafter	31,303
Total minimum lease payments	115,100
Less amount representing interest	(21,371)
Residual property obligation[1], deferred financing costs and deferred sales proceeds	103,150
Financing method sale-leaseback liability	196,879
Less current portion	(11,736)
Financing method sale-leaseback liability, less current portion	$ 185,143

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2026 and 2025 consisted of the following:

	2026	2025
Financing method sale-leaseback liability, long-term portion	$ 185,143	$ 196,207
Deferred franchise and development fees	31,246	31,004
Deferred beverage income	4,893	5,391
Unfavorable lease agreements	1,606	2,714
Other	190	154
Total other long-term liabilities	$ 223,078	$ 235,470

NOTE 12 — MEMBERS' DEFICIT

During fiscal 2026 and 2025, the CKE Securitization Entities received capital contributions of $14,833 and $36,922, respectively, consisting principally of property and equipment and assets associated with the CKE Restaurants Acquisition (see Note 5). During fiscal 2026 and 2025, the CKE Securitization Entities paid total cash distributions of $133,273 and $144,118, respectively, to members.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2026 and 2025:

	2026		2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-III Notes	$ 230,161	$ 231,063	$ 232,031	$ 227,297
Series 2020-1 Class A-2 Notes	376,960	366,852	379,552	362,842
Series 2021-1 Class A-2 Notes	170,088	160,744	171,186	154,454
Series 2024-1 Class A-2 Notes	338,815	355,876	341,425	364,858

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding company-operated restaurants impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2026:

	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ 1,144
Assets to be held and used (Level 3)[2]	$ 587

(1) Represents the impairment of long-lived assets including property & equipment, net, finance assets and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ 1,273
Assets to be held and used (Level 3)[2]	$ 1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for five domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Combined Consolidated Statements of Income. As of January 31, 2026, the nominal value of the lease obligations under the remaining master leases' primary terms is $352,712.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2026, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $22,821, expiring at various dates through November 2026. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an interest reserve as required by the Indenture and letters of credit of $7,671, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2026, we had unconditional purchase obligations in the amount of $66,409, which consisted primarily of contracts for goods and services related to restaurant operations. Our unconditional purchase obligations for fiscal 2027, 2028, 2029, 2030 and 2031 are estimated to be $63,466, $937, $921 , $756 and $329, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2026	Fiscal 2025
Royalties	$ 192,745	$ 190,783
Rent and other occupancy	87,751	91,956
Franchise fees	4,793	5,395
Total franchised restaurants and other revenue	$ 285,289	$ 288,134

Franchised restaurants and other expense consisted of the following:

	Fiscal 2026	Fiscal 2025
Rent and other occupancy	$ 70,427	$ 72,585
Amortization of franchise agreements	16,531	16,483
Other	2,601	2,498
Total franchised restaurants and other expense	$ 89,559	$ 91,566

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2026	Fiscal 2025
Loss (gain) on disposal of other property and equipment	$ 2,136	$ (3,869)
Closed store expenses	1,969	2,176
Impairment of assets to be disposed of	1,144	1,273
Impairment of assets to be held and used	587	1,667
Loss on refranchising transaction	14	—
Other losses, net	13	29
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	—	(1,086)
Total facility action charges, net	$ 5,863	$ 190

Impairment charges recorded against property and equipment, finance assets and operating lease assets of $1,731 and $2,940 were recognized in facility action charges, net in fiscal 2026 and 2025, respectively.

NOTE 17 — EMPLOYEE RETIREMENT PLAN

We and CKE Restaurants sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2026 and 2025, our matching contributions to the 401(k) Plan were $139 and $129, respectively.

NOTE 18 — RELATED PARTY TRANSACTIONS

Transactions with CKE Restaurants and its Subsidiaries

The CKE Securitization Entities have a management agreement with CKE Restaurants (the "Management Agreement"), pursuant to which CKE Restaurants, as Manager, is required to manage and service the assets of the CKE Securitization Entities in accordance with the terms set forth in the Management Agreement. The primary responsibilities of Manager are to administer collections on behalf of the CKE Securitization Entities, and to perform certain activities pertaining to franchising, marketing, real estate management, intellectual property matters, operations and reporting on behalf of the CKE Securitization Entities. The CKE Securitization Entities are obligated to pay Manager a management fee using a formula provided within the Management Agreement, which is calculated using a base fee of $10,300 per annum and a variable fee based upon retained collections for the last four quarterly collection periods. Prior to April 4, 2024, the CKE Securitization Entities were obligated to pay Manager a management fee using a formula provided within a prior management agreement, which was calculated using a base fee of $15,000 per annum and a variable fee based upon retained collections for the last four quarterly collection periods, subject to annual increases for inflation.

During fiscal 2026 and 2025, the CKE Securitization Entities incurred management fee expenses of $39,985 and $43,422, respectively, which are included in general and administrative expense in our accompanying Combined Consolidated Statements of Income.

As of January 31, 2026, we had outstanding receivables from affiliates of $1,280 and payables to affiliates of $1,503. As of January 31, 2025, we had outstanding receivables from affiliates of $2,458 and payables to affiliates of $2,141.

NOTE 19 — INCOME TAXES

For fiscal 2026 and 2025, income tax expense consisted of current foreign taxes of $7,131 and $6,346, respectively.

As a direct result of our corporate structure, the CKE Securitization Entities are each a limited liability company that is disregarded as an entity separate from its indirect owners, CKE and CKE Restaurants, for federal and state income tax purposes, and are not jointly and severally liable for any income taxes owed by the parent corporate entities. Further, no tax sharing agreement exists, or is expected to exist, between the CKE Securitization Entities and their indirect parent companies that would require the CKE Securitization Entities to directly or indirectly reimburse their indirect parent companies for taxes related to the operations of the CKE Securitization Entities.

NOTE 20 — SUPPLEMENTAL CASH FLOW INFORMATION

	Fiscal 2026	Fiscal 2025
Cash paid for:		
Interest	$ 66,421	$ 64,855
Income taxes	7,057	6,390
Non-cash activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	43,851	53,232
Contributed property and equipment[(1)]	11,976	30,130
Contributed other assets[(1)]	2,545	6,681
Finance assets obtained in exchange for new finance lease liabilities	1,773	—
Contributed assets for the CKE Restaurants Acquisition (see Note 5)[(1)]	312	111

(1) Contributed property and equipment, contributed other assets and contributed assets for the CKE Restaurants Acquisition represent assets purchased by CKE Restaurants and certain of its wholly owned subsidiaries on behalf of the CKE Securitization Entities pursuant to the Management Agreement. For accounting purposes, these purchases are treated as non-cash contributions to the CKE Securitization Entities.

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2026							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,126	$ 3,051	$ —	$ 2,648	$ 2,304	$ —	$ —	$ 10,129
Cash and cash equivalents - restricted	—	17,807	—	—	—	—	—	17,807
Accounts receivable, net	13,779	81	—	16,753	81	—	—	30,694
Due from affiliates	14,200	14,175	—	56,482	186	—	(83,763)	1,280
Inventories	554	—	—	2,641	—	—	—	3,195
Prepaid expenses	76	18	—	500	19	—	—	613
Total current assets	30,735	35,132	—	79,024	2,590	—	(83,763)	63,718
Property and equipment, net	78,527	—	—	242,210	—	—	—	320,737
Operating lease assets	262,964	—	—	76,665	—	—	—	339,629
Intangible assets, net	365,684	—	—	378,502	—	—	—	744,186
Other assets, net	14,498	—	—	22,405	—	—	—	36,903
Total assets	$ 752,408	$ 35,132	$ —	$ 798,806	$ 2,590	$ —	$ (83,763)	$ 1,505,173
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	576	—	—	1,058	—	—	—	1,634
Current portion of operating leases	55,198	—	—	15,648	—	—	—	70,846
Accounts payable	954	—	—	1,599	—	—	—	2,553
Due to affiliates	599	56,725	—	10,851	17,091	—	(83,763)	1,503
Other current liabilities	11,323	3,073	—	20,396	3,059	—	—	37,851
Total current liabilities	68,650	65,698	—	49,552	26,050	—	(83,763)	126,187
Long-term debt, less current portion	—	552,112	—	—	552,112	—	—	1,104,224
Finance leases, less current portion	4,906	—	—	16,462	—	—	—	21,368
Operating leases, less current portion	219,959	—	—	66,431	—	—	—	286,390
Other long-term liabilities	61,988	—	—	161,090	—	—	—	223,078
Total liabilities	355,503	617,810	—	293,535	578,162	—	(83,763)	1,761,247
Members' equity (deficit)	396,905	(582,678)	—	505,271	(575,572)	—	—	(256,074)
Total liabilities and members' deficit	$ 752,408	$ 35,132	$ —	$ 798,806	$ 2,590	$ —	$ (83,763)	$ 1,505,173

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 1,347	$ 2,452	$ —	$ 3,397	$ 3,385	$ —	$ —	$ 10,581
Cash and cash equivalents - restricted	—	18,147	—	—	—	—	—	18,147
Accounts receivable, net	11,088	—	—	12,702	—	—	—	23,790
Due from affiliates	13,088	18,528	—	57,488	225	—	(86,871)	2,458
Inventories	528	—	—	2,459	—	—	—	2,987
Prepaid expenses	148	17	—	539	17	—	—	721
Other current assets	—	—	—	—	—	—	—	—
Total current assets	26,199	39,144	—	76,585	3,627	—	(86,871)	58,684
Property and equipment, net	83,854	—	—	259,388	—	—	—	343,242
Operating lease assets	283,395	—	—	87,023	—	—	—	370,418
Intangible assets, net	372,047	—	—	388,702	—	—	—	760,749
Other assets, net	16,104	—	—	22,269	—	—	—	38,373
Total assets	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	591	—	—	921	—	—	—	1,512
Current portion of operating leases	58,041	—	—	15,846	—	—	—	73,887
Accounts payable	1,597	3	—	1,470	3	—	—	3,073
Due to affiliates	437	56,756	—	7,533	24,286	—	(86,871)	2,141
Other current liabilities	10,380	3,195	—	19,945	3,180	—	—	36,700
Total current liabilities	71,046	65,854	—	45,715	33,369	—	(86,871)	129,113
Long-term debt, less current portion	—	556,197	—	—	556,197	—	—	1,112,394
Finance leases, less current portion	5,496	—	—	15,783	—	—	—	21,279
Operating leases, less current portion	237,778	—	—	77,068	—	—	—	314,846
Other long-term liabilities	63,918	—	—	171,552	—	—	—	235,470
Total liabilities	378,238	622,051	—	310,118	589,566	—	(86,871)	1,813,102
Members' equity (deficit)	403,361	(582,907)	—	523,849	(585,939)	—	—	(241,636)
Total liabilities and members' deficit	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2026							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 111,802	$ —	$ —	$ 271,526	$ —	$ —	$ —	$ 383,328
Franchised restaurants and other	173,580	5,615	—	111,709	13,597	—	(19,212)	285,289
Total revenue	285,382	5,615	—	383,235	13,597	—	(19,212)	668,617
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	27,826	—	—	71,900	—	—	—	99,726
Payroll and other employee benefits	38,597	—	—	89,698	—	—	—	128,295
Occupancy and other	39,427	—	—	83,119	—	—	(19,212)	103,334
Total company-operated restaurants	105,850	—	—	244,717	—	—	(19,212)	331,355
Franchised restaurants and other	65,561	—	—	23,998	—	—	—	89,559
Advertising	6,820	—	—	14,979	—	—	—	21,799
General and administrative	1,523	19,057	—	1,393	21,388	—	—	43,361
Facility action charges, net	(157)	—	—	6,020	—	—	—	5,863
Total operating costs and expenses	179,597	19,057	—	291,107	21,388	—	(19,212)	491,937
Operating income (loss)	105,785	(13,442)	—	92,128	(7,791)	—	—	176,680
Interest expense	(1,290)	(31,657)	—	(4,971)	(31,630)	—	—	(69,548)
Other income (loss), net	1,626	107,811	62,483	1,618	105,745	55,957	(331,239)	4,001
Income (loss) before income taxes	106,121	62,712	62,483	88,775	66,324	55,957	(331,239)	111,133
Income tax expense	5,146	—	—	1,985	—	—	—	7,131
Net income (loss)	$ 100,975	$ 62,712	$ 62,483	$ 86,790	$ 66,324	$ 55,957	$ (331,239)	$ 104,002

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 111,187	$ —	$ —	$ 272,117	$ —	$ —	$ —	$ 383,304
Franchised restaurants and other	173,988	5,573	—	114,147	13,626	—	(19,200)	288,134
Total revenue	285,175	5,573	—	386,264	13,626	—	(19,200)	671,438
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	26,976	—	—	71,775	—	—	—	98,751
Payroll and other employee benefits	38,263	—	—	91,414	—	—	—	129,677
Occupancy and other	37,063	—	—	90,856	—	—	(19,200)	108,719
Total company-operated restaurants	102,302	—	—	254,045	—	—	(19,200)	337,147
Franchised restaurants and other	68,453	—	—	23,113	—	—	—	91,566
Advertising	6,775	—	—	14,988	—	—	—	21,763
General and administrative	63	22,295	—	(281)	21,633	—	—	43,710
Facility action charges, net	(1,686)	—	—	1,876	—	—	—	190
Total operating costs and expenses	175,907	22,295	—	293,741	21,633	—	(19,200)	494,376
Operating income (loss)	109,268	(16,722)	—	92,523	(8,007)	—	—	177,062
Interest expense	(1,422)	(31,032)	—	(5,319)	(30,999)	—	—	(68,772)
Other income (loss), net	1,143	104,400	60,034	517	86,881	47,162	(298,893)	1,244
Income (loss) before income taxes	108,989	56,646	60,034	87,721	47,875	47,162	(298,893)	109,534
Income tax expense	4,966	—	—	1,380	—	—	—	6,346
Net income (loss)	$ 104,023	$ 56,646	$ 60,034	$ 86,341	$ 47,875	$ 47,162	$ (298,893)	$ 103,188

GUARANTEE OF PERFORMANCE

For value received, Carl's Jr. Funding LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Carl's Jr. Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at McGregor, Minnesota on the 24th day of May, 2026.

Guarantor: CARL'S JR. FUNDING LLC

By: _____

Print Name: Daniel Caron

Print Title: Vice President, Legal

GUARANTEE OF PERFORMANCE

For value received, Hardee's Restaurants LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Carl's Jr. Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at McGregor, Minnesota on the 24th day of May, 2026.

Guarantor: HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Darell Caron

Print Title: Vice President, Legal

GUARANTEE OF PERFORMANCE

For value received, Carl's Jr. SPV Guarantor LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Carl's Jr. Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at McGregor, Minnesota on the 24th day of May, 2026.

Guarantor: CARL'S JR. SPV GUARANTOR LLC

By: _____

Print Name: Danell Caron

Print Title: Vice President, Legal

GUARANTEE OF PERFORMANCE

For value received, Hardee's Funding LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Carl's Jr. Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at McGregor, Minnesota on the 24th day of May, 2026.

Guarantor: HARDEE'S FUNDING LLC

By: _____

Print Name: Danell Caron

Print Title: Vice President, Legal

GUARANTEE OF PERFORMANCE

For value received, Hardee's SPV Guarantor LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Carl's Jr. Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at McGregor, Minnesota on the 24th day of May, 2026.

Guarantor: HARDEE'S SPV GUARANTOR LLC

By: _____

Print Name: Daren Caron

Print Title: Vice President, Legal

EXHIBIT K

ADDENDA REQUIRED BY CERTAIN STATES

RIDER TO STATE ADDENDUM
TO THE CARL'S JR. RESTAURANTS
FRANCHISE DISCLOSURE DOCUMENT

FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

The following language is hereby added to the Franchise Disclosure Document if you are a resident of one of the states listed in the heading of this Rider (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of one or more Carl's Jr. Restaurants in the Applicable Franchise Registration State:

"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."

ADDITIONAL DISCLOSURES REQUIRED FOR CALIFORNIA FRANCHISEES

The following information applies to franchises and franchisees subject to the California Franchise Investment Act.

A. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

B. 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.

C. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

D. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

E. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

F. The Franchise Agreement requires application of the laws of Tennessee. This provision may not be enforceable under California law.

G. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

H. Under California AB 1228, you must comply with the minimum wage standards for your employees beginning April 1, 2024. You must also adhere to certain working conditions, including health and safety standards and training, as set forth in the Operations Manual. Failure to comply could lead to violation of the law and possible fines and lawsuits brought by your employees.

I. 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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED

TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.

ADDENDUM TO THE CARL'S JR. RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Development Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of California; **(B)** Developer is a resident of the State of California; and/or **(C)** part or all of the Development Territory is located in the State of California.

2. The following sentences are added immediately before the last sentence of Section 11:

Developer (on behalf of all Releasors) and all guarantors also expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived. That Section reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor."

3. 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. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

5. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

CJR:
CARL'S JR. RESTAURANTS LLC

By: Danell Caron

Print Name: Vice President, Legal

Title: _____

Date: _____

DEVELOPER:

By: _____

Print Name:_____

Title: _____

Date: _____

ADDENDUM TO THE CARL'S JR. RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Franchise Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of California; **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Restaurant will be located or operated in the State of California.

2. The following sentences are added immediately before the last sentence of Section 16:

Franchisee (on behalf of all Releasors) and all guarantors also expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived. That Section reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor."

3. 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. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

CJR:
CARL'S JR. RESTAURANTS LLC

By: Danell Caron

Print Name: Vice President, Legal

Title: _____

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No disclaimer, 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.

Registered agent in the state authorized to receive service of process: **Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813**

ADDENDUM TO THE CARL'S JR. RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR MINNESOTA FRANCHISEES

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations.

THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSION THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO HE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT, THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following statement is added to Items 5 and 7:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days

notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5. If the Franchise Agreement contains a limitations period for bringing claims against Franchisor which is shorter than the limitations period provided under the Minnesota Act, the Franchise Agreement shall be modified to conform to the Minnesota Act.

9. No disclaimer, 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.

ADDENDUM TO THE CARL'S JR. RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Development Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Minnesota; (B) Developer is a resident of the State of Minnesota; and/or (C) part or all of the Development Territory is located in the State of Minnesota.

2. The following statement is added to the end of Section 4:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. The following sentence is added to the end of Sections 10.B.(5) and 11:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. Section 12.B.(9) is deleted and replaced with the following statement:

Developer's use or duplication of the Carl's Jr. System or any part of the Carl's Jr. System in any other business, or disclosure of any part of the Carl's Jr. System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including the right to seek injunctive relief.

5. The following sentence is added to the end of Section 13.A.:

With respect to franchises governed by Minnesota law, CJR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which requires, except in certain 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 agreements.

6. The following sentences are added to the end of Sections 22.A.-B.:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit CJR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. The second sentence of Section 22.D. is deleted and replaced with the following sentence:

Developer and CJR waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

8. The second sentence of Section 23.E. is deleted and replaced with the following sentence:

Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, CJR shall be entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond or security must be posted.

9. Section 24.M. is deleted.

10. No disclaimer, 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.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

12. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Statute are met independently of this Addendum.

13. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

CJR:
CARL'S JR. RESTAURANTS LLC

By: Danell Caron

Print Name: Vice President, Legal

Title: _____

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE CARL'S JR. RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Franchise Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Minnesota; (B) Franchisee is a resident of the State of Minnesota; and/or (C) the Franchised Restaurant will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2.B.(2)(e), 15.B.(5) and 16:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Sections 2.B. and 18:

With respect to franchises governed by Minnesota law, CJR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of franchise agreements.

4. The following statement is added to the end of Section 6.A:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens.

5. The following sentence is added at the end of Section 11:

Notwithstanding the foregoing, CJR will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of a Proprietary Mark infringes trademark rights of a third party; provided, that CJR will not indemnify against the consequences of Franchisee's use of the Proprietary Marks unless the use is in accordance with the requirements of this Agreement and the System.

6. Section 17.B.(9) is deleted and replaced with the following statement:

Franchisee's use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which CJR would be entitled to all legal and equitable remedies, including the right to seek injunctive relief.

7. The following sentences are added to the end of Sections 27.A.-B.:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit CJR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. The second sentence of Section 27.D. is deleted and replaced with the following sentence:

Franchisee and CJR waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

9. The second sentence of Section 28.E. is deleted and replaced with the following sentence:

Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, CJR shall be entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance. A court will determine if a bond or security must be posted.

10. Section 29.M. is deleted.

11. No disclaimer, 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.

12. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

13. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Statute are met independently of this Addendum.

14. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE CARL'S JR. RESTAURANT FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS REQUIRED FOR WASHINGTON FRANCHISEES

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** 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.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Assurance of Discontinuance.** To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

ADDENDUM TO THE CARL'S JR. RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR WISCONSIN FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Development Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Developer was made in the State of Wisconsin; (B) Developer is a resident of the State of Wisconsin; and/or (C) part or all of the Development Territory is located in the State of Wisconsin.

2. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provision of the Development Agreement inconsistent with that law.

3. The following paragraph is added to the end of Section 13.A.:

Section 135.04 of the Wisconsin Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of paragraph 13.A. of the Development Agreement to the extent they may be inconsistent with the Law's requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Development Agreement, Developer shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently of this Addendum.

6. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

[*Signatures on following page.*]

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:
By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE CARL'S JR. RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR WISCONSIN FRANCHISEES

This Addendum to the Carl's Jr. Restaurant Franchise Agreement dated _____ between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Wisconsin; (B) Franchisee is a resident of the State of Wisconsin; and/or (C) the Franchised Restaurant will be located or operated in the State of Wisconsin.

2. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provision of the Franchise Agreement inconsistent with that law.

3. The following paragraph is added to the end of Sections 2.B. and 18:

Section 135.04 of the Wisconsin Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of paragraph 18 of the Franchise Agreement to the extent they may be inconsistent with the Law's requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently of this Addendum.

6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[*Signatures on following page.*]

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:
By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT L

CJR 2026 DEVELOPMENT INCENTIVE PROGRAM ADDENDUM

TO FRANCHISE AGREEMENT

DEVELOPMENT INCENTIVE PROGRAM ADDENDUM
TO THE CARL'S JR. RESTAURANT FRANCHISE AGREEMENT

THIS ADDENDUM to the Carl's Jr. Restaurant Franchise Agreement dated as of _____, _____ ("Franchise Agreement") between Carl's Jr. Restaurants LLC ("CJR") and _____ ("Franchisee") is entered into simultaneously with the Franchise Agreement.

RECITALS

A. In order to stimulate the development of new franchised Carl's Jr. Restaurants and the continued expansion of the System, CJR has established the 2026 CJR development incentive program ("Program") for franchisees that are growth ready and satisfy CJR's financial requirements for new restaurant development and that open a newly-constructed Carl's Jr. Restaurant at a location accepted by CJR pursuant to a Franchise Agreement with CJR signed no later than May 24, 2027 (the "New Restaurant Franchise Agreement"), provided that the Carl's Jr. Restaurant is opened in accordance with the timeline set forth in the Franchise Agreement.

B. Franchisee and CJR entered into this Franchise Agreement as of _____, _____.

C. Franchisee and the Franchised Restaurant are eligible to participate in the Program.

D. Consequently, CJR and Franchisee are entering into this Addendum to modify the Franchise Agreement to reflect the Franchisee's participation in the Program incentives.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, the parties, intending to be legally bound, agree to amend the Franchise Agreement as follows:

1. Reduced Royalty and APO for Limited Period of Time.

Notwithstanding anything to the contrary contained in the Franchise Agreement, CJR agrees that each of the royalty fee and APO to be paid by Franchisee for the Franchised Restaurant will be reduced by: **(A)** 3% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's first 12 months of operation under the Franchise Agreement; **(B)** 2% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's second 12 months of operation under the Franchise Agreement; and **(C)** 1% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's third 12 months of operation under the Franchise Agreement. Thereafter, the royalty fee and APO will revert to the royalty fee and APO set forth in the Franchise Agreement. The royalty fee and APO to be paid pursuant to this Addendum are set forth in Exhibit 1.

2. Other Development Incentive Programs. Franchisee acknowledges and agrees that, by signing this Addendum, it will not be entitled, with respect to the Franchised Restaurant, to any other incentive that have been or may be offered by CJR.

3. Termination of Program Incentives. This Addendum and the Program will terminate following written notice to Franchisee if:

A. Franchisee fails to open the Franchised Restaurant on or before 120 days after the contractual opening date pursuant to the terms of the Franchisee's Development Agreement or the Franchise Agreement; or

B. Franchisee or any affiliate of Franchisee receives, during the first two years of operation of the Franchised Restaurant under the Franchise Agreement, a written notice of default under any agreement between Franchisee or any affiliate of Franchisee and CJR or any affiliate of CJR and fails to cure the default within the applicable cure period, if any.

4. Effect of Termination.

If this Addendum is terminated during the first three years of the Franchised Restaurant's operation under the Franchise Agreement, the royalty fee and APO for the Franchised Restaurant will immediately revert to the applicable amounts set forth in the Franchise Agreement.

5. Capitalized Terms. Any capitalized term that is not defined in this Addendum will have the meaning given it in the Franchise Agreement.

6. Limited Modification. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[*Signatures on following page.*]

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

CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 1

1. Royalty Fee and APO Due (Section 1 of the Addendum):

During the first three years of operation of the Franchised Restaurant, Franchisee will pay CJR the following for Royalty Fee and APO:

Royalty Fee:

Dates of Operation of the Franchised Restaurant	**Royalty Fee Percentage of Gross Sales**
First 12 months	1.00%
Second 12 months	2.00%
Third 12 months	3.00%
Year 4 and beyond	4.00%

APO Allocation:

First 12 months	**Total APO: 3.00%** Production Fund: 1.00% Media Fund: 2.00%
Second 12 months	**Total APO: 4.00%** Production Fund: 1.00% Media Fund: 3.00%
Third 12 months*	**Total APO: 5.00%** Production Fund: 1.00% Media Fund: 4.00%
Years 4 and beyond	**Total APO: 6.00%** Production Fund: 1.00% Media Fund: 5.00%

EXHIBIT M

RENEWAL ADDENDUM

RENEWAL ADDENDUM TO
CARL'S JR. RESTAURANT FRANCHISE AGREEMENT

THIS ADDENDUM to the Carl's Jr. Restaurant Franchise Agreement dated as of _____ ("Franchise Agreement") by and between Carl's Jr. Restaurants LLC ("CJR"), _____ ("Franchisee") and _____ and _____ (collectively "Guarantors") is entered into simultaneously with the Franchise Agreement.

RECITALS

A. CJR and Franchisee have entered into the Franchise Agreement pursuant to which Franchisee is authorized to continue to operate Carl's Jr. Restaurant No. _____ ("Franchised Restaurant") located at _____ ("Franchised Location").

B. Franchisee has been operating the Franchised Restaurant at the Franchised Location pursuant to one or more consecutive franchise agreements (collectively, "Prior Agreement"), the Initial Term of which has expired or will soon expire.

C. CJR and Franchisee have executed the Franchise Agreement to renew the Franchise granted to Franchisee pursuant to the Prior Agreement.

D. Those individuals identified above as "Guarantors," if any, have guaranteed Franchisee's obligations under the Franchise Agreement.

E. CJR, Franchisee and Guarantors desire to modify certain provisions of the Franchise Agreement as reflected in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements set forth below, the parties agree as follows:

1. In connection with the execution of the Franchise Agreement and the renewal of the Franchise previously granted to Franchisee, Franchisee has agreed to timely satisfy the conditions, if any, listed in attached Appendix 1. Franchisee acknowledges that its failure to timely satisfy the conditions identified in Appendix 1 shall constitute a default under the Franchise Agreement.

2. Franchisee agrees that CJR's execution of the Franchise Agreement does not constitute a waiver of any monies owed by Franchisee to CJR or its affiliates under the Prior Agreement.

3. If the Franchised Restaurant is leased or subleased from a third party ("Landlord"), Franchisee shall provide CJR a copy of the fully-executed lease or sublease, together with any amendments to the lease or sublease (collectively, "Lease") simultaneously with the execution of this Addendum. The term of the Lease shall continue for at least the Renewal Term of the Franchise Agreement. If the Lease does not contain the language required by CJR to be included in the Lease, or if Franchisee has not previously provided CJR with a fully-signed Lease Addendum as required by the Prior Agreement and the Franchise Agreement, Franchisee shall use its best efforts to obtain the Landlord's signature on CJR's Lease Addendum, in the form attached to the Franchise Agreement, and provide CJR with a fully signed Lease Addendum within 60 days after the commencement date of the Renewal Term.

4. Franchisee represents and warrants that it has the right to remain in possession of the Franchised Restaurant for the Renewal Term.

5. The first two sentences of Section 2.A. are deleted and replaced by the following:

A. Renewal Term

The term of this Agreement ("Renewal Term") and the Franchise granted by this Agreement shall be for a period set forth in Appendix 1 attached to the Renewal Addendum, unless this Agreement is terminated at an earlier date pursuant to Section 23. All references to the "Term" or the "Initial Term" shall mean and refer to the Renewal Term.

6. Section 8.A. is deleted and is replaced by the following:

A. Renewal Fee

The Renewal Fee is set forth in Appendix 1 attached to the Renewal Addendum and is in the amount provided for in the Prior Agreement. Franchisee shall pay the Renewal Fee to CJR simultaneously with the execution of this Agreement. The Renewal Fee is paid in consideration of CJR renewing the Franchise for the Franchised Restaurant for the Renewal Term. The Renewal Fee was fully earned at the time paid and is not refundable for any reason whatsoever. All references to the "Initial Franchise Fee" shall mean and refer to the Renewal Fee.

7. Section 21 is amended by adding the following sentence:

Without limiting the generality of the foregoing release, Franchisee, all individuals who execute this Agreement and all guarantors of Franchisee's obligations under this Agreement acknowledge and agree that the foregoing release includes, without limitation, a release of all claims arising out of or related to the Prior Agreement.

8. Franchisee's indemnification obligations under the Prior Agreement survive termination of the Prior Agreement and Franchisee's indemnification obligations under the Franchise Agreement will survive termination of the Franchise Agreement.

9. Item 2 in Appendix A to the Franchise Agreement is deleted.

10. All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

11. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum by their duly authorized representatives.

CJR:
CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTORS:

By: _____

Print Name: _____

Date: _____

By: _____

Print Name: _____

Date: _____

By: _____

Print Name: _____

Date: _____

APPENDIX 1

1. Renewal Fee:

☐ **5-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $5,000

☐ **10-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $10,000

2. Conditions To Be Satisfied by Franchisee:

Reimage & Deferred Maintenance Requirements	Deadline to Complete Deferred Maintenance Item

EXHIBIT N

SUBLEASE

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") dated as of the Effective Date (as hereafter defined), is made and entered into by and between Sublandlord and Subtenant (both as hereafter defined).

This Sublease is entered into pursuant to that certain Asset Purchase Agreement between Sublandlord and Subtenant dated as of _____ (together with any amendments or modifications thereto, collectively, the "Purchase Agreement") and all such other documents, agreements and instruments entered into or given pursuant to such Purchase Agreement, including, without limitation, that certain Carl's Jr. Restaurant Franchise Agreement ("Franchise Agreement") granting Subtenant certain rights to operate a Carl's Jr. restaurant at the Premises (as hereafter defined) (the aforementioned documents may be referred to collectively as the "Transaction Documents").

1. BASIC SUBLEASE INFORMATION.

All capitalized words not defined in this Sublease shall have the meanings ascribed to them in this Section entitled "Basic Sublease Information." The Basic Sublease Information contained herein is an integral part of this Sublease; provided that if there are any inconsistencies between the Basic Sublease Information and the provisions set forth in the remainder of this Sublease, the provisions set forth in the remainder of this Sublease shall govern.

1.1 EFFECTIVE DATE. This Sublease is made and entered into by and between Sublandlord and Subtenant as of _____ (the "Effective Date").

1.2 SUBLANDLORD. Carl's Jr. Restaurants, LLC, a Delaware limited liability company, having a principal place of business at c/o CKE Restaurants Holdings, Inc., Attn: Real Estate Management Department, 6700 Tower Circle, Suite 1000, Franklin, TN 37067 ("Sublandlord").

1.3 SUBTENANT. _____, a _____, having a principal place of business at _____ ("Subtenant").

1.4 PREMISES. The premises demised hereunder is commonly known as: _____, and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Premises is referred to by Sublandlord as Unit No. _____. Unless owned by Subtenant, the Premises shall include all buildings, structures and improvements located thereon and thereunder; provided, however, that all terms and provisions hereof applicable to the Premises shall also apply to the buildings, structures and improvements thereon.

1.5 PRIME LEASE. Sublandlord is possessed of the Premises pursuant to a lease agreement between Sublandlord, as successor-in-interest to _____, a _____, as tenant, and _____, as successor-in-interest to _____, a _____, as landlord (the "Prime Landlord"), dated _____ (together with any amendments or modifications thereto, collectively, the "Prime Lease").

1.6 TERM.

A. The term of this Sublease shall commence on the Effective Date and shall expire at 11:59 p.m. on the earlier to occur of (i) _____, or (ii) one (1) business day prior to the expiration of the Prime Lease, unless earlier terminated or extended in accordance with the provisions of this Sublease (the "Term").

B. To the extent permitted under the Prime Lease, Subtenant shall have the option to extend the Term for _____ (_____) consecutive periods of _____ (_____) years each (the "Option Term(s)"). Subject to Section 1.6(C), such extension option, if exercised, shall be exercised by Subtenant's delivery of written notice to Sublandlord by the day that is at least three hundred sixty-five (365) days prior to the expiration date of the then-current Term, or, if applicable, ninety (90) days prior to the date by which Sublandlord must notify the Prime Landlord that the Sublandlord is exercising its option to extend the Prime Lease term, whichever is earlier. The "Term" shall include any Option Term exercised in conformity with the terms of this Sublease.

C. In connection with the exercise of any Option Term, Subtenant shall deliver written notice in compliance with the terms and provisions of Section 1.6(B) and this Sublease using the form attached hereto as Exhibit B. If Subtenant fails to timely deliver such notice, Subtenant may, in Sublandlord's sole discretion, be deemed to have exercised the applicable Option Term unless Subtenant has delivered a notice of closure or non-renewal pursuant to the Transaction Documents.

1.7 RENT.

A. During the Term, including any exercised Option Term, Subtenant shall pay to Sublandlord, as and when due, all base rent, minimum rent, fixed rent, additional rent, and any and all other charges and amounts however called or termed required under the Prime Lease (collectively, "Base Rent").

B. Base Rent and Additional Rent (as defined in Section 5 below) may be referred to collectively as the "Rent".

C. Subtenant's obligation to pay Rent shall commence on the Effective Date (the "Rent Start Date").

1.8 SECURITY DEPOSIT. The greater of $_____ or the amount of security deposit required under the Prime Lease.

1.9 NOTICE ADDRESSES.

The addresses for all notices under this Sublease are:

SUBLANDLORD:	SUBTENANT:
Carl's Jr. Restaurants LLC	
Two Franklin Park	_____
6700 Tower Circle, Suite 1000	_____
Franklin, TN 37067	_____
ATTN: Real Estate Counsel	

with a copy of notices to:

CKE Restaurants Holdings, Inc.
Two Franklin Park
6700 Tower Circle, Suite 1000
Franklin, TN 37067
ATTN: Lease Administration

2. DEMISE OF PREMISES.

2.1 In consideration of the Rent, and of the other terms, covenants and conditions set forth in this Sublease and in the Transaction Documents, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Premises upon the terms, covenants and conditions set forth in this Sublease.

2.2 Further, the Premises shall include the right, if any, but only to the extent of Sublandlord's rights and interests therein, in and to all strips, gores of lands, streets, alleys, passages, and all access and parking rights appurtenant to the Premises and which Sublandlord is entitled to use in connection with the Premises (referred to herein as "appurtenant rights") pursuant to the Prime Lease, all in accordance with the terms of this Sublease, but subject to the terms of any instrument granting such appurtenant rights, it being acknowledged by Subtenant that Sublandlord makes no representation or warranty with respect to Sublandlord's or Subtenant's rights or interests therein. In addition, Subtenant shall perform all of Sublandlord's duties and obligations with respect to such appurtenant rights, and shall indemnify and hold Sublandlord harmless from and against any and all liability, costs, and expenses arising from Subtenant's failure to perform such duties and obligations with respect to such appurtenant rights.

2.3. Subtenant represents, warrants and covenants to Sublandlord that Subtenant has made all necessary or desirable examinations, inspections and inquiries regarding the Premises and has consulted with such professional advisors as Subtenant deems necessary or desirable to satisfy Subtenant, at Subtenant's discretion and on Subtenant's own initiative, that the Premises are acceptable to Subtenant, that Sublandlord shall have no responsibility or obligation for expenses with respect to the care, maintenance or operation and conduct of business on the Premises regardless of the nature of the expense, that this Sublease is lawful in substance and in form, and that Subtenant is financially prepared to assume any and all risks and obligations of any kind that may be involved in becoming Subtenant. THE PREMISES ARE DEMISED AND LET, AND

SUBTENANT HEREBY ACCEPTS THE PREMISES, IN ITS "AS IS", "WHERE IS" CONDITION WITH ALL FAULTS, AND SUBJECT TO ALL MATTERS OF RECORD AND MATTERS WHICH WOULD BE REVEALED BY A CURRENT SURVEY, AND ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS SUBLEASE, SUBLANDLORD HAS NOT MADE ANY REPRESENTATIONS, WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WITH RESPECT TO ANY ASPECT OF THE PREMISES, INCLUDING, WITHOUT LIMITATION: (I) THE VALUE, NATURE, QUALITY OR PHYSICAL CONDITION OF THE PREMISES, INCLUDING, BY WAY OF EXAMPLE, THE BUILDING STRUCTURE, ITS FIXTURES, ROOF, ELECTRICAL, PLUMBING AND HVAC SYSTEMS; (II) THE INCOME TO BE DERIVED FROM THE PREMISES; (III) THE SUITABILITY, PROFITABILITY OR FITNESS OF THE PREMISES FOR ANY ACTIVITY, PURPOSE OR USE; (IV) THE COMPLIANCE OF THE PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES, REGULATIONS, ORDERS OR REQUIREMENTS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (V) THE EXISTENCE IN OR ON THE PREMISES OF ANY HAZARDOUS SUBSTANCE OR TOXIC WASTE; OR (VI) THE CONDITION OF TITLE TO THE PREMISES.

2.4 If the Prime Lease requires that the consent of Prime Landlord be obtained prior to the effectiveness of this Sublease, then, notwithstanding anything to the contrary contained in this Sublease, this Sublease and the obligations of Sublandlord under this Sublease shall be subject to receipt by Sublandlord of Prime Landlord's written consent and approval of this Sublease, in form and substance satisfactory to Sublandlord. Subtenant agrees to provide Sublandlord with any and all information required by Prime Landlord with respect to the business and financial condition of Subtenant in order for Prime Landlord to consent to this Sublease, and Subtenant hereby authorizes Sublandlord to disclose to Prime Landlord any such information which may have been delivered to Sublandlord. If Sublandlord is obligated to pay any fee to Landlord or to reimburse Prime Landlord for any expenses incurred in connection with Prime Landlord's review of any request for approval of a sublease, then Subtenant shall pay or reimburse Sublandlord for any amount which Sublandlord is obligated to pay to Prime Landlord.

3. TERM.

3.1 The Term of this Sublease shall commence and terminate as stated in the Basic Sublease Information. Subtenant shall have the right to extend the Term of this Sublease for the Option Term(s) upon giving Sublandlord timely written notice, all as provided in the Basic Sublease Information; provided, however, and subject to the terms of Section 3.2 below, that in no event shall the Term of this Sublease extend beyond the term, as the same may be extended, of either the Prime Lease or the Franchise Agreement. This Sublease shall not be extended if Subtenant is in default at the time of attempted exercise or commencement of an Option Term.

3.2 Notwithstanding the dates set forth herein for the initial Term and Option Terms, the initial Term and each Option Term shall terminate one day before the actual termination date for the corresponding term as set forth in the Prime Lease; and the commencement date for each of the Option Terms shall be one day before the actual commencement date for the corresponding option term as set forth in the Prime Lease. The initial Term and each Option Term of this Sublease are at least one day less than the corresponding term of the Prime Lease to ensure that this Sublease

shall not be construed as an assignment of Sublandlord's rights and interests under the Prime Lease.

4. USE OF PREMISES.

4.1 Subtenant shall use the Premises solely and exclusively as a Carl's Jr. restaurant, operated in accordance with the Transaction Documents. During the Term, Subtenant shall continuously and at all times operate a Carl's Jr. restaurant upon the Premises with diligence and efficiency, and otherwise in the manner and for the hours per day and days per week necessary or appropriate to maintain the Carl's Jr. image and in no event less than those required by the Franchise Agreement, subject only to the provisions of this Sublease and the Prime Lease governing casualty loss. In no event shall Subtenant close or fail to operate for more than three (3) consecutive days or more than thirty (30) days, in the aggregate, in any 365-day period, unless, subject to any contrary provisions of the Prime Lease, such closure or failure to operate is the result of a casualty; provided that Subtenant shall give prompt written notice of any such event to Sublandlord, shall diligently pursue all necessary repairs to completion, and shall reopen and recommence operations promptly upon completion of any necessary repairs or replacements.

4.2 To protect Sublandlord's rights under the Transaction Documents, the Premises shall be used solely for the operation of a Carl's Jr. restaurant and for no other purpose whatsoever. Without limiting the foregoing, Subtenant shall, at all times, use the Premises in a lawful, safe, careful and proper manner, and Subtenant shall not commit or suffer any waste or allow the continuance of any nuisance. Subtenant shall carefully preserve, protect, control and guard the Premises and all buildings, structures and other improvements located thereon from damage, shall continually and regularly maintain the Premises and all buildings, structures, equipment, mechanical systems and other improvements located thereon in good repair, including but not limited to the roof, HVAC system, refrigeration system and all paved areas, and shall comply with (and cause the Premises and all buildings, structures and improvements thereon to comply with) all laws, ordinances and requirements with respect thereto imposed by governmental authorities, all requirements imposed by the Transaction Documents and all requirements imposed by insurers of the Premises. Subtenant represents, warrants and covenants to Sublandlord that Subtenant shall not permit any hazardous substance or toxic waste to be handled, generated, stored, treated, disposed of or released on or in the Premises, except cleaning solutions and other substances customarily used in the operation of a Carl's Jr. restaurant, provided that the same are used, stored and disposed of in accordance with all applicable laws.

5. RENT.

5.1 Subtenant covenants and agrees to pay Rent commencing on the Rent Start Date. Notwithstanding any provision of this Sublease to the contrary, all amounts of Rent shall, from time to time during the Term, be automatically adjusted, without the need for any further action by Sublandlord or Subtenant, as necessary to ensure that such Rent is never less than the amount of comparable rent owed by Sublandlord under the Prime Lease. It is the express intent of the parties that this Sublease be a triple net sublease. The parties therefore agree that all Base Rent shall be net to Sublandlord so that this Sublease shall yield to Sublandlord the Base Rent during the Term on an absolutely net basis. Unless otherwise provided herein, all Rent shall be paid by Subtenant without notice or demand, in lawful money of the United States, and without set-off,

counterclaim, abatement, suspension, deduction or defense. Rent shall be duly apportioned for any partial year or partial month during the Term.

Unless instructed otherwise by Sublandlord, in connection with the payment of obligations due under this Sublease, Subtenant agrees to make such payments by Automatic ACH Debit/ACH Pull or other electronic funds transfer method, as directed by Sublandlord. Failure by Subtenant to have sufficient funds in the account beyond any cure period shall constitute a default by Subtenant under this Sublease. Subtenant shall be responsible for all costs and fees associated with such electronic funds transfer, including but not limited to initial costs and collection costs.

5.2 Subtenant shall pay Sublandlord Base Rent in twelve (12) equal monthly installments, in advance, on the first day of each month during the Term; provided that the first full monthly installment of Base Rent plus prorated Base Rent for the initial partial month, if any, shall be due and payable to Sublandlord on the Rent Start Date.

5.3 Without limiting any other provision set forth herein, Subtenant covenants and agrees to pay to Sublandlord, during the Term hereof, any and all percentage rent due under the Prime Lease and the same shall be included as "Additional Rent" as defined below to the extent the same is not included as part of Base Rent. Subtenant shall fully and completely comply with all percentage rent provisions of the Prime Lease, and shall make such payments and deliver all reports and statements in connection therewith to Sublandlord. In addition to providing Sublandlord with any and all reports required under the Prime Lease, Subtenant shall submit to Sublandlord, in a form reasonably acceptable to Sublandlord, an accurate annual report not later than sixty (60) days after the end of each calendar year, prepared in accordance with generally accepted accounting principles consistently applied, completely and accurately setting forth all gross sales generated at the Premises ("Gross Sales") for the prior calendar year and containing such details as Sublandlord shall reasonably require and as may be required under the Franchise Agreement.

Subtenant shall keep full, complete and proper books, records and accounts, in accordance with generally accepted accounting principles, consistently applied, showing all Gross Sales and shall make the books, records and accounts (including without limitation all applicable federal, state and local tax returns) available for inspection, copy and audit by Sublandlord and its authorized agents and representatives during Subtenant's normal business hours, both during and for a period of two (2) years after the Term. If an inspection or audit discloses an understatement of Gross Sales, Subtenant shall pay Sublandlord, within ten (10) days after receipt of the inspection or audit report, any deficiency in the percentage rent paid. If an inspection or audit is made necessary by Subtenant's failure to timely furnish reports or supporting records as required under this Sublease, or if an understatement of Gross Sales is determined by any audit or inspection to be greater than two percent (2%), Subtenant also shall reimburse Sublandlord for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room and compensation of Sublandlord's employees and consultants, accountants or designees.

5.4 Commencing on the Rent Start Date, Subtenant covenants to pay to Sublandlord on the day monthly Base Rent payments are due hereunder, as Additional Rent, an amount estimated by Sublandlord equal to one-twelfth (1/12) of all taxes and assessments required to be paid by Sublandlord under the Prime Lease during the then-current tax year, including without limitation,

any and all real property taxes, substitute property taxes, general and special assessments, business rental taxes, and other obligations which are or may become a lien on or levied against the Premises (collectively, the "Taxes"). Subtenant shall also pay all Taxes on buildings, structures and other improvements thereon. Subtenant shall pay any and all transfer taxes and other taxes arising in any way out of this Sublease or the Prime Lease hereafter, including any taxes on rents or supplemental taxes. Notwithstanding the foregoing, Subtenant shall pay to Sublandlord on the Rent Start Date the first full monthly installment of Taxes plus prorated Taxes for the initial partial month of the Term, if any. Sublandlord may estimate the amount of Taxes due on the basis of current data available to Sublandlord. If the amount of such payments by Subtenant at any time is not sufficient to pay such Taxes when due, Sublandlord may so notify Subtenant in writing and Subtenant shall forthwith pay to Sublandlord the amount necessary to make up the deficiency. In the event such payments exceed the amount of Taxes ultimately due, Sublandlord shall refund such excess to Subtenant. Subtenant shall pay all personal property taxes, and all excise taxes on personal property and the like directly to the taxing authority, promptly when due, and shall furnish Sublandlord with satisfactory evidence of each such timely payment. In the event the taxing authorities change the manner in which Taxes are levied, charged or assessed from the present existing tax system, Subtenant shall pay Taxes under such alternative or revised system of taxation. Subject to the provisions of the Prime Lease, Subtenant shall have the right to challenge, at its sole expense, the Taxes and Sublandlord agrees to provide whatever assistance Subtenant may reasonably require at no expense to Sublandlord. Sublandlord shall reimburse Subtenant for any refund of Taxes attributable to the Term received by Sublandlord as a result of any tax contest by Subtenant. Sublandlord shall not be required to pay Subtenant interest or earnings on Taxes held by Sublandlord. Notwithstanding the foregoing, except as may be otherwise provided in the Prime Lease, Taxes shall not include (i) any inheritance, estate, franchise or capital stock tax; or (ii) any income tax arising out of or related to ownership and operation of income-producing real estate.

5.5 In addition to Base Rent, Subtenant covenants to pay to Sublandlord as additional rent ("Additional Rent"), any and all (i) amounts due under this Sublease (other than Base Rent), (ii) costs, expenses, obligations, and liabilities of any kind and nature relating to the Premises and all buildings, structures and other improvements located thereon during the Term, and (iii) amounts, liabilities and obligations which Sublandlord is required to pay pursuant to the terms of the Prime Lease including, without limitation, taxes and assessments, any and all operating expenses and common area maintenance expenses, and all other amounts and charges required under the Prime Lease regardless of how such amounts are defined or termed, together with interest at the rate of _____ percent (__%) per annum (or such lesser amount as may be the maximum amount permitted by law) (the "Interest Rate")[1] on all overdue payments of Rent from the due date thereof until payment. Such Additional Rent shall be due and payable on demand, unless otherwise provided under this Sublease or the Prime Lease. Any Additional Rent may, at Sublandlord's option, be charged to Subtenant monthly in an amount estimated by Sublandlord equal to one-twelfth (1/12) of such estimated Additional Rent, regardless of how billed to Sublandlord under the Prime Lease, and such amount shall be paid by Subtenant to Sublandlord on the day Base Rent is due. Subtenant shall pay to Sublandlord on the Rent Start Date the first full monthly installment of Additional Rent plus prorated Additional Rent for the initial partial month of the Term, if any. Sublandlord may estimate the amount of Additional Rent due on the basis of current data available

[1] Note to Draft: Varies by state. To be eighteen percent (18%) or the maximum percentage allowed under applicable state law (if any), whichever is lower.

to Sublandlord. If the amount of such payments by Subtenant at any time is not sufficient to pay such Additional Rent when due, Sublandlord may so notify Subtenant in writing and Subtenant shall forthwith pay to Sublandlord the amount necessary to make up the deficiency, providing, as determined by Sublandlord, Sublandlord shall receive payments of Additional Rent with the actual expenses incurred therefor, and the parties agree to cooperate to pay, refund or credit amounts overpaid or underpaid for such period.

5.6 In addition to the Rent, Subtenant shall pay to Sublandlord an annual administrative fee of Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) per year (the "Administration Fee"). The Administration Fee shall be paid in monthly installments of Two Hundred Eight and 33/100 Dollars ($208.33), in the same manner that Rent is paid to Sublandlord hereunder.

5.7 No payment by Subtenant, or acceptance by Sublandlord, of a lesser amount than shall be due from Subtenant to Sublandlord shall be treated otherwise than as a payment on account. The acceptance by Sublandlord of a lesser amount (whether delivered by check or otherwise) with an endorsement or statement thereon, or upon any letter accompanying such payment that such lesser amount shall constitute payment in full, shall be given no effect and Sublandlord may accept such payment without prejudice to any other rights or remedies which Sublandlord may have against Subtenant. Any payment, however designated, may be accepted by Sublandlord and applied against any part of Subtenant's then existing and then due Rent or Sublandlord may apply such payment against any sum then due or may retain such payment (without interest) as a credit against Subtenant's accruing future obligations.

5.8 Notwithstanding any provision herein to the contrary, in the event Subtenant shall be or become ten (10) days or more delinquent in the payment of any Rent on three (3) or more occasions during the Term, at Sublandlord's option, exercised by fifteen (15) days written notice to Subtenant, Sublandlord may terminate Subtenant's privilege of making monthly installments of Rent and demand and receive Rent due for each year during the remaining Term, in advance, in one annual payment. This annual payment of Rent shall commence on the date specified in Sublandlord's notice and thereafter the Rent will be payable annually on the anniversary of the date specified in Sublandlord's notice. To the extent that the exact amount of any such Rent is unknown at the time such advance payment is due, Subtenant shall pay Sublandlord's estimate of the same, and Subtenant shall pay or receive a credit for, as applicable, any underpayment or overpayment promptly following year end after such exact amount(s) become known.

6. UTILITIES.

Subtenant shall pay promptly when due, directly to the appropriate utility company, charges for all sewer, water, gas, electrical current, telephone, cable and other utilities (hereinafter collectively referred to as the "Utilities") rendered to or for the benefit of the Premises or any portion thereof including buildings, structures and other improvements thereon during the Term. Sublandlord shall not be liable in damages or otherwise for any failure of a utility company to furnish, or any interruption of, water, sewer, gas, electricity, telephone, cable or any other utility services.

7. MAINTENANCE.

Subtenant shall, at Subtenant's sole expense, continuously and regularly maintain, repair and replace the Premises and all parts, systems and components thereof, including all buildings, structures, utility facilities, landscaping, asphalt, parking areas and all other improvements and fixtures thereon, as well as all of Subtenant's furniture, fixtures and equipment located thereon, and shall keep the same in a safe, clean condition, in as good order and repair as existed on the Effective Date, and in any case, in accordance with good standards and practices consistent with a first-class quick-serve restaurant, the Transaction Documents, and all governmental requirements and applicable law. Any such repairs and maintenance to major building systems or structural components of the Premises, including the roof, masonry, electrical, plumbing, asphalt and HVAC systems shall be performed by bonded, licensed and insured contractors, subcontractors or specialist tradesmen, as applicable. The foregoing shall not be construed to limit any repair or maintenance obligations of the Subtenant under the Prime Lease or the Transaction Documents, all of which Subtenant shall perform or cause to be performed, nor shall the foregoing be deemed to make any obligations of Prime Landlord under the Prime Lease the obligation of Subtenant.

8. SECURITY DEPOSIT.

Upon or before the Effective Date, Subtenant shall deliver to Sublandlord the Security Deposit set forth in the Basic Sublease Information to be held by Sublandlord as security for the performance by Subtenant of all Subtenant's obligations pursuant to this Sublease. The Security Deposit may be commingled with other Sublandlord funds, and no interest will be payable to Subtenant. If Subtenant is in default hereunder, Sublandlord may use the Security Deposit, or any portion thereof, to cure the default or to compensate Sublandlord for any damage sustained by Sublandlord resulting from Subtenant's default. Subtenant shall immediately on demand pay to Sublandlord a sum equal to the portion of the Security Deposit expended or applied by Sublandlord as provided in this Section so as to maintain the Security Deposit in the sum initially deposited with Sublandlord. Upon the expiration of this Sublease, any portion of the Security Deposit not applied by Sublandlord to the Subtenant's outstanding obligations shall be returned to Subtenant.

9. INSURANCE

9.1 During the Term, Subtenant shall provide and maintain, at Subtenant's sole expense, the following insurance:

(a) ISO causes of Loss – Special Form Coverage (formerly known as "all risk") in amounts equal to the full replacement cost of the Premises and all buildings, structures, and improvements located thereon (including any additions in or changes in the Premises or such buildings, structures, or improvements) and Tenant's furniture, fixtures and equipment located thereon as such value may be from time to time during the Term. Such insurance policies shall contain a one hundred percent (100%) replacement cost endorsement and an endorsement which automatically increases coverage as a guard against inflation during the Term;

(b) commercial general liability insurance, on a primary and non-contributory basis, against claims for bodily injury, death or property damage occurring on, in or about the Premises and all buildings, structures, and improvements located thereon and the adjoining streets,

sidewalks and passageways, with primary limits of not less than the greater of (i) the amounts required under the Franchise Agreement, or (ii) ONE million dollars ($1,000,000.00) with respect to bodily injury, property damage or death per occurrence, not less than TWO million dollars ($2,000,000.00) aggregate with a FIVE million dollar ($5,000,000.00) per occurrence and aggregate umbrella limit;

(c) workers' compensation insurance or comparable insurance under applicable laws covering all persons employed in connection with any work done on or about the Premises or any building or structure thereon with respect to which claims for death or bodily injury could be asserted against the Prime Landlord, Sublandlord, Subtenant or the Premises;

(d) contractual liability insurance sufficient to cover Subtenant's obligations hereunder;

(e) business interruption insurance providing coverage in an amount sufficient to permit the payment of Rent and any other expenses payable hereunder for a period of not less than twelve (12) months; and

(f) such other amounts and policies of insurance upon or with respect to the Premises, the buildings, structures, or other improvements located thereon, or the operation thereof as are at the time commonly obtained by prudent business operators in the case of property similar thereto, if reasonably requested by Sublandlord.

(g) In the event and to the extent that the Prime Lease shall require any insurance coverage not hereinbefore described and/or insurance coverage with limits higher than those hereinbefore described, Subtenant at its sole cost and expense shall keep and maintain in force during and with respect to the Term all such insurance (both as to types of coverage and limits) as may be required of the Sublandlord under the Prime Lease.

9.2 Other insurance requirements:

(a) All insurance policies provided for hereunder shall be issued by companies licensed to do business in the state where the Premises are located, which such companies shall have a Best's Rating of not less than "A-" (or equivalent rating if such rating system is no longer used). The deductible or self-insured retention under each such insurance policy shall not exceed $15,000.00. Sublandlord, Prime Landlord, and their respective successors and assigns, shall be named as loss payees on the "all risk" insurance policy and as additional insureds on all insurance policies (as their respective interests may appear), in form acceptable to Sublandlord. Sublandlord shall not be required to prosecute any claim against or to contest any settlement proposed by, any insurer; provided, that Subtenant may, at its expense, prosecute any such claim or contest any such settlement, and in such event Subtenant may bring such prosecution or contest in the name of Subtenant, and Sublandlord will join therein at Subtenant's expense and written request upon the receipt by Sublandlord of an indemnity from Subtenant in form and substance satisfactory to Sublandlord against any and all costs, liabilities and expenses in connection with such prosecution or contest. Subtenant shall not settle any claim for property damage without the consent of Sublandlord, and if required under the Terms of the Premises, of Prime Landlord.

(b) All such insurance policies shall contain an agreement by the insurer that: (i) it will not cancel or modify such policy except after thirty (30) days' prior written notice sent by certified mail to Sublandlord (and shall provide for the right of Sublandlord at its option to pay any premium owing thereunder for the purpose of continuing coverage); (ii) any loss otherwise payable thereunder shall be payable notwithstanding any change in title or other ownership of the Premises; and (iii) such insurance shall not be impaired or invalidated by any act; failure to act or violation of declaration or condition in such policies by Subtenant. Subtenant shall submit to Sublandlord a certificate of insurance or binder for all the insurance coverage required hereunder at the time it executes this Sublease and shall submit to Sublandlord original insurance policies demonstrating Subtenant's full performance of its insurance obligations under this Sublease, together with proof of premium payment, immediately following the execution of this Sublease. Thereafter, Subtenant shall submit to Sublandlord copies of renewal policies with proof of premium payment at least thirty (30) days before the expiration of such policies. Sublandlord's receipt of information whether or not evidence of coverage, shall not affect the respective rights and duties of Sublandlord and Subtenant as they are stated herein.

9.3 If Subtenant fails to obtain or maintain any portion of the insurance during the Term, then Sublandlord may elect to purchase or maintain any or all of such insurance on Subtenant's behalf, and Subtenant shall pay as Additional Rent, upon demand, all costs incurred by Sublandlord in connection with such insurance.

10. WAIVER OF SUBROGATION

Notwithstanding any provision herein to the contrary, Subtenant expressly releases Sublandlord and Prime Landlord from, and waives any rights of recovery that it may have against such parties for, any and all liabilities and expenses for loss, damage or destruction of property resulting from perils (including negligent acts or omissions of such parties and their respective agents, employees, associates or invitees) covered by (i) the insurance which Subtenant is obligated to provide and maintain under this Sublease (whether or not such insurance is actually maintained), or (ii) any other insurance actually maintained by or on behalf of Subtenant; and Subtenant agrees that the company providing such insurance shall have no right of subrogation against the Sublandlord or Prime Landlord.

11. INDEMNIFICATION.

11.1 Subtenant agrees to pay, and to protect, indemnify and hold harmless Sublandlord, Prime Landlord, and their respective parent companies and any company or entity affiliated with Sublandlord or Prime Landlord, and their respective officers, directors, agents and employees (each of the foregoing individually, an "Indemnitee" and collectively, the "Indemnitees") from and against any and all liabilities, losses, damages, costs, expenses (including, without implied limitation, all reasonable attorneys' fees and expenses of an Indemnitee), causes of action, suits, claims, demands or judgments of any nature whatsoever, arising from (a) any injury to, or the death of, any persons or any damage to property on the Premises or upon adjoining sidewalks, parking areas, common areas, streets, or ways, or in any manner growing out of or connected with the use, non-use, condition or occupation of the Premises, any building, structure or other improvement located thereon, or any part thereof, or resulting from the condition thereof or of adjoining sidewalks, parking areas, common areas, streets or ways; (b) violation by Subtenant of

any term or provision of this Sublease; (c) violation by Subtenant of any term or provision of the Prime Lease; (d) violation by Subtenant of any contract or agreement to which Subtenant is a party, including the Transaction Documents; (e) violation by Subtenant of any restriction, statute, law, ordinance or regulation, affecting the Premises or any building, structure or other improvement located thereon, or any part thereof or the ownership, occupancy or use thereof, and (f) any matter for which Sublandlord indemnifies Prime Landlord under the Prime Lease. The obligations of Subtenant under this Section relating to events occurring during the Term shall survive the expiration or other termination of this Sublease. The foregoing shall not be construed as an agreement by Subtenant to indemnify Sublandlord against or from the negligence or willful acts of Sublandlord or Sublandlord's agents, servants, employees, or contractors.

11.2 It is specifically agreed that Subtenant shall not be responsible for the discharge and performance to completion of the duties and obligations required to be performed and/or discharged to completion by Sublandlord pursuant to the Prime Lease prior to the Effective Date.

12. CASUALTY.

If the Premises or any building, structure, or other improvement located thereon is damaged by fire, earthquake or other casualty, Subtenant shall give immediate written notice thereof to Sublandlord. In the event that any damage to or destruction of the Premises or any building, structure, or other improvement located thereon shall occur, the provisions of the Prime Lease concerning damage or destruction shall apply, provided that (i) any cost or expense incurred by Sublandlord thereunder shall be paid by Subtenant, and (ii) regardless of whether the Prime Lease imposes an obligation on the tenant thereunder to repair or restore the Premises or any building, structure, or other improvement located thereon, unless Prime Landlord prohibits such repair or restoration, Subtenant shall be responsible for promptly repairing and restoring all buildings, structures and improvement as well as all of Subtenant's fixtures, furniture, equipment and other personal property, and Sublandlord shall have no liability therefor. Unless the Prime Lease requires otherwise, insurance claims by reason of damage to or destruction of any portion of the Premises or any building, structure, or other improvement located thereon, shall be adjusted by Sublandlord at the election of Sublandlord, but Sublandlord may permit Subtenant to adjust any such loss, with Sublandlord's consent thereto. Without limiting the foregoing, any and all insurance proceeds from such casualty, including those to which Subtenant is entitled to under any policy, shall be paid to Sublandlord; provided that Sublandlord may release the same to Subtenant for use towards necessary repairs and replacements upon the satisfaction of Sublandlord's requirements and conditions, which may include the deposit of additional funds to the extent necessary to ensure that Sublandlord has funds sufficient to cover the cost of the repairs and replacements. The entire amount of any proceeds released to Subtenant shall be utilized from time to time by Subtenant for payment of the work of rebuilding, replacing and repairing the damage or destruction. If any proceeds of such insurance remain after final payment has been made by Subtenant for such rebuilding, replacement and repair, such remaining proceeds shall be retained by Sublandlord, subject to the requirements of the Prime Lease. In no event shall Subtenant be entitled to a rent abatement in the event of a casualty.

13. CONDEMNATION.

In the event of any condemnation or sale in lieu thereof involving the Premises, the provisions of the Prime Lease shall govern as to the party entitled to receive the award payable in connection with such condemnation or sale in lieu thereof, and Prime Landlord and Sublandlord shall be entitled to awards payable as their respective interest may appear and as may be required under the terms of the Prime Lease. For the avoidance of doubt, Subtenant shall not be entitled to any award or compensation for any such condemnation or sale in lieu thereof unless the same is expressly allocated to Subtenant under the Prime Lease or at law. Subtenant shall be entitled to a rent abatement only to the extent that Sublandlord is entitled to an abatement under the Prime Lease. In the event that the Prime Lease is silent with respect to the allocation of awards or compensation resulting from a condemnation or sale in lieu thereof involving the Premises, Sublandlord and Subtenant may prosecute their respective claims for damages to the extent permitted under this Sublease and the Prime Lease.

14. ALTERATIONS AND/OR REMODELS.

14.1 To the extent allowed, and upon satisfaction of the conditions stated in the Prime Lease, Subtenant shall have the right to make alterations or additions to the Premises and the buildings, structures and other improvements located thereon, with the prior written consent of Sublandlord.

14.2 In the event Subtenant is permitted to make alterations or additions, such additions to and alterations of the buildings, structures or other improvements located on the Premises shall be at Subtenant's sole cost and expense and be made in a good and workmanlike manner and free from defects. Subtenant shall promptly pay all costs and expenses of each such alteration or addition and shall promptly have discharged, released or bonded-off in accordance with applicable law any lien filed against the Premises or the buildings, structures or other improvements located thereon arising out of the same within five (5) days of such filing, and shall pay for all permits and licenses required in connection with any addition or alteration. Such additions or alterations shall be expeditiously completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto.

14.3 Subtenant shall promptly pay all costs and expenses of each such addition or alteration and shall discharge all liens filed against the Premises or the buildings, structures or other improvements located thereon arising out of the same, and pay for all permits and licenses required in connection with any such addition or alteration.

14.4 Subtenant shall, at its sole cost and expense, and subject to the provisions of the Prime Lease, perform or cause to be performed all remodeling and upgrading of all buildings, structures or other improvements on and all other portions of the Premises, real and personal, interior and exterior, structural and non-structural, and including without limitation all systems and utilities within the Premises or any building or structure located thereon, as may be necessary or appropriate to keep the Premises and all buildings, structures or other improvements located thereon in compliance with any and all standards imposed by the Transaction Documents.

15. PRIME LEASE PROVISIONS.

15.1 Sublandlord and Subtenant hereby acknowledge and agree that this Sublease is subject and subordinate to the Prime Lease. Subtenant acknowledges having received and reviewed the Prime Lease. Sublandlord agrees to refrain from entering into any amendment to or modification of the Prime Lease that would materially limit the rights granted to Subtenant or materially increase the obligations to Subtenant under this Sublease without obtaining Subtenant's prior written consent not to be unreasonably withheld, and a copy of any amendment or modification of the Prime Lease shall be promptly furnished to Subtenant. Subtenant hereby covenants and agrees that it will observe and perform all of the terms and conditions of the Prime Lease that are imposed upon Sublandlord, as tenant under the Prime Lease, and such terms and conditions shall be deemed to have been incorporated herein as if set forth in full, and if practical, Subtenant shall in good faith endeavor to observe and perform such terms and conditions of the Prime Lease at least five (5) business days prior to the date imposed by the Prime Lease for performance of such terms and conditions. Sublandlord shall have the right, but not the obligation, to enter the Premises and any building, structure or improvement located thereon to cure any default by Subtenant under this Section. Provided that Subtenant timely pays all Rent to Sublandlord as and when due under this Sublease, Sublandlord shall timely pay all rent to Prime Landlord as and when due under the Prime Lease. In addition, the obligations of and restrictions upon the Sublandlord as tenant under the Prime Lease shall constitute the obligations of and restrictions upon the Subtenant under this Sublease, each as and to the extent applicable to the Premises and Subtenant's use, occupation and operation thereof. The rights and remedies of the Prime Landlord under the Prime Lease shall constitute the rights and remedies of the Sublandlord under this Sublease, in addition to the other rights of Sublandlord under this Sublease, each as and to the extent applicable to the Premises. In the event of a conflict between any term, condition or provision of the Prime Lease and this Sublease, or in the event that this Sublease creates additional or greater rights of and remedies to Sublandlord over those granted Prime Landlord in the Prime Lease, or imposes additional or greater restrictions on or obligations of Subtenant over those imposed on Sublandlord as tenant under the Prime Lease, then the terms, conditions and provisions of this Sublease shall govern in all respects the relationship between the Sublandlord and the Subtenant.

15.2 Except as otherwise provided in this Sublease, Sublandlord hereby grants to Subtenant the right to receive all of the services and benefits with respect to the Premises which are to be provided by the Prime Landlord to Sublandlord as the tenant under the Prime Lease; provided however, that Sublandlord reserves the right to exercise, in its sole discretion, any purchase option or right of first refusal or first offer to purchase or lease the Premises under the Prime Lease. Notwithstanding anything herein to the contrary, if the Prime Lease imposes any obligation on the Prime Landlord or if any obligation of Sublandlord under this Sublease is to be performed by Prime Landlord under the Prime Lease and Prime Landlord fails to perform or delays in performance of such obligation, or otherwise defaults in its obligations under such Prime Lease, then Sublandlord shall have no liability to Subtenant hereunder as a result of such failure except that Sublandlord agrees to use commercially reasonable efforts, upon notice from Subtenant and at Subtenant's expense, to cause Prime Landlord to perform such obligation. Nothing in this Sublease shall or shall be deemed to limit or restrict any right or remedy of the Prime Landlord with respect to the Premises or the Prime Lease.

15.3 Notwithstanding anything to the contrary in this Sublease, any termination of the Prime Lease will cause this Sublease to be terminated immediately before the Prime Lease is terminated and in no event shall the Term under this Sublease exceed the term under the Prime Lease.

15.4 If the Prime Lease grants to Prime Landlord any rights of approval or consent or any similar term, provision or right, and if Subtenant requests from Sublandlord such approval or consent, then such approval or consent of Sublandlord shall not be effective unless and until the Prime Landlord gives its approval or consent, and such approval or consent given by Sublandlord shall contain or be deemed to contain such terms, conditions, limitations or restrictions imposed by Prime Landlord. Subtenant shall pay all costs and expenses and fees of Prime Landlord in connection with requesting such consent. Sublandlord shall use commercially reasonable efforts to obtain such approval or consent of Prime Landlord after Sublandlord has given its approval or consent, upon request of Subtenant and at Subtenant's expense.

15.5 In the event Sublandlord agrees to extend the term of this Sublease beyond the Term (including the Option Terms) or Sublandlord obtains from Prime Landlord for the benefit of Subtenant any amendment or modification of the Prime Lease, including, without limitation, an agreement for rent reduction, or if Sublandlord is required to engage attorneys, counsel, accountants or other consultants in connection with the Prime Lease or this Sublease, then Subtenant agrees to pay and reimburse Sublandlord for any and all of Sublandlord's out-of-pocket expenses incurred in connection therewith as well as any reasonable administrative fees imposed by Sublandlord for addressing any issues related to the Prime Lease and this Sublease. Such administrative fee shall be in addition to Sublandlord's right to be reimbursed by Subtenant for all actual out-of-pocket costs and fees incurred by Sublandlord in connection therewith. Without limiting the foregoing, Subtenant shall also pay all costs, expenses and fees of Prime Landlord in connection with requesting such consent.

16. ASSIGNMENT AND SUBLETTING.

Subtenant shall not transfer, mortgage, hypothecate or assign any of Subtenant's interest in this Sublease or sublet all or any part of the Premises or any building or structure or any portion thereof located thereon without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole discretion, and, if Sublandlord, as tenant under the Prime Lease, must obtain such consent from Prime Landlord, the prior written consent of Prime Landlord. If Sublandlord consents to an assignment or sublease by Subtenant, (i) the original Subtenant hereunder shall remain liable for the performance of all terms, covenants and conditions of this Sublease notwithstanding such assignment, sublease or transfer, and (ii) any rent or other consideration paid to Subtenant (or any sub-subtenant or successor subtenant) in excess of the Rent paid by Subtenant hereunder on a square footage basis shall be promptly paid to Sublandlord. Any change in the management or control of Subtenant or a transfer of more than 50% of the direct or indirect ownership interests in Subtenant shall be deemed a transfer hereunder and subject to Sublandlord's consent. Sublandlord's consent to any assignment, subletting or transfer shall not be deemed a consent to any subsequent assignment, subletting or transfer.

17. REMOVAL OF SUBTENANT'S PROPERTY.

17.1 Except as otherwise provided in the Prime Lease, and provided Subtenant is not in default hereunder, on or before the last day of this Sublease, Subtenant may remove from the Premises all furniture, trade fixtures, equipment and other personal property belonging to Subtenant (hereinafter referred to as "Subtenant's Property"). Any damage to the Premises or any building or structure or other improvement located thereon caused by such removal of Subtenant's Property shall be repaired in accordance with Section 21 of this Sublease. In no event shall Subtenant's Property which has become permanently affixed to the Premises be removed. Notwithstanding the foregoing, upon expiration or earlier termination of the Term of this Sublease (or upon the earlier termination of Subtenant's right of possession hereunder), Subtenant shall leave at the Premises any and all improvements or other property required to be so left in accordance with the terms of the Prime Lease or this Sublease.

17.2 At the termination of this Sublease, if Subtenant has not removed Subtenant's Property from the Premises, or if this Sublease is terminated by reason of default by Subtenant, Sublandlord may, at its option, either, (a) retain Subtenant's Property as its own without liability for and without compensating Subtenant therefor; or (b) remove Subtenant's Property from the Premises, the costs and expense for such shall be paid in full by Subtenant immediately upon demand by Sublandlord, offset against the Security Deposit, or both to the extent necessary to fully pay said costs and expense.

18. ACCESS TO PREMISES.

In addition to any rights to access set forth in the Prime Lease, Sublandlord, Prime Landlord and their respective agents and employees shall have the right to enter the Premises and any building or structure located thereon in the event of an emergency and at other reasonable times, from time to time, upon reasonable notice under the circumstances to Subtenant (which notice may be oral): (i) to ascertain whether Subtenant is in compliance with the provisions of this Sublease; (ii) to exercise Sublandlord's rights and remedies under this Sublease, the Prime Lease or under law, or Prime Landlord's rights and remedies under the Prime Lease or under law; and (iii) to exhibit the Premises and any building or structure located thereon, to prospective assignees, subtenants or lenders.

19. DEFAULT.

Subtenant shall be in default under this Sublease if Subtenant: (a) fails to pay when due any Rent or other amounts required to be paid under the Sublease; (b) breaches any non-monetary obligation, representation, warranty, or covenant of this Sublease and fails to cure to the satisfaction of Sublandlord such breach within twenty (20) days after Sublandlord's written notice to Subtenant of such breach; (c) assigns, mortgages, sublets, or transfers any interest in the Premises or any part thereof (or any building located thereon) without Sublandlord's prior consent or otherwise breaches Section 16 of the Sublease; (d) breaches any obligation of Subtenant under Section 4 of this Sublease regarding use of the Premises; (e) causes or allows a default to exist under the Prime Lease for which there is no cure or grace period; (f) causes or allows a default to exist under the Prime Lease for which there is a cure or grace period; (g) violates any covenant, term or condition of any agreement the effect of which is to allow Sublandlord to terminate or

accelerate the maturity of such agreement before its stated termination or maturity date; (h) shall fail to remedy immediately after receipt of notice from Sublandlord, any hazardous condition which Subtenant has created or suffered in breach of Subtenant's obligations under this Sublease; (i) defaults in the timely performance or payment of any obligation or indebtedness or breaches any of the covenants, representations, warranties, terms, conditions or provisions under any of the Transaction Documents including, without limitation, under any "Sublease" or "Franchise Agreement" (as such terms are defined in the Purchase Agreement), beyond any applicable notice and cure period stated in such documents; (j) fails to comply with any statute, ordinance, rule or regulation of any governmental body; or (k) files or has filed against it a petition in bankruptcy, insolvency, or for reorganization or arrangement pursuant to any Federal or state statute. Such default under (a) through (h) above shall be declared by Sublandlord's or Prime Landlord's giving Subtenant written notice thereof at the notice address specified in the Basic Sublease Information. In the event of Subtenant's default under (f) above, Subtenant shall cure the applicable default to the satisfaction of Sublandlord and Prime Landlord within one-half of the grace period permitted for such cure under the Prime Lease. A default under (i) through (k) above shall occur upon the happening of the event without the need for notice thereof.

20. REMEDIES.

If Subtenant shall default in the performance of its obligations under this Sublease, Sublandlord may exercise any one or more of the following remedies, to the extent permitted by law, or any other legal or equitable remedy permitted under applicable law:

20.1 Sublandlord may terminate this Sublease upon the delivery of notice thereof to Subtenant and Sublandlord shall have the right to immediate possession of the Premises and any building or structure or other improvement thereon and Subtenant shall peacefully surrender possession of the Premises and any building or structure or other improvement thereon to Sublandlord. Subtenant hereby waives any and all rights it may have, at law or in equity, to the receipt of notice of default or demand for forfeiture, except as expressly provided herein. In the event Subtenant holds the Premises over beyond the termination of the Term, Sublandlord shall have the right to recover Sublandlord's cost in recovering possession of the Premises and any building or structure or other improvement located thereon (including, without limitation, attorneys' fees and litigation costs), such amounts as may be permitted under applicable law and any other amounts due and payable to Sublandlord hereunder (including, without limitation, past-due rent).

20.2 Sublandlord, without terminating this Sublease, shall have the right to terminate Subtenant's right to possess the Premises and any building or structure or other improvement located thereon and to recover possession thereof upon the delivery of notice thereof to Subtenant and Subtenant shall peacefully surrender the Premises and any building or structure or other improvement located thereon to Sublandlord. Subtenant hereby waives any and all rights it may have, at law or in equity, to the receipt of notice of default or demand for forfeiture, except as expressly provided herein. Sublandlord, at Sublandlord's option, may cause the Premises and any building or structure or other improvement thereon to be prepared for reletting, and may relet the Premises or any building or structure or other improvement thereon or any part thereof as agent of Subtenant, for a term to expire prior to, at the same time as, or subsequent to the expiration of the Term, at Sublandlord's option. In the event of such reletting, Sublandlord shall receive the rents therefor, applying the same first, to the repayment of reasonable expenses as Sublandlord may

have incurred in connection with said resumption of possession, preparing for reletting and reletting (including, without limitation, remodeling costs, brokerage and attorneys' fees), and, second, to the payment of damages and amounts equal to the Base Rent, any and all percentage rent (which shall be based upon the average gross sales of Subtenant for the twelve (12) full months immediately prior to the Sublandlord's exercise of remedies hereunder) and Additional Rent due hereunder and to the cost of performing the other obligations of Subtenant as herein provided. Subtenant, regardless of whether Sublandlord has relet the Premises or any building thereon, shall pay to Sublandlord damages equal to the Rent herein agreed to be paid by Subtenant less the proceeds of the reletting, if any, and such Rent shall be due and payable by Subtenant on the days on which such Rent is due hereunder.

20.3 To the extent permitted by law, Sublandlord may at its option declare immediately due and payable the entire amount of all Rent due hereunder which Subtenant would be obligated to pay for the remainder of the Term, discounted to present value at the rate of 3% and any such payment (less the net proceeds of reletting as set forth above) shall be credited against Subtenant's obligation to pay Rent due hereunder but otherwise shall not relieve Subtenant from any of its other obligations under this Sublease or the Prime Lease, including the obligation to pay Rent, including percentage rent and Additional Rent.

20.4 Sublandlord may perform for Subtenant any of the obligations Subtenant has agreed to perform hereunder if Subtenant has defaulted in the performance of such obligations. Upon demand, Subtenant shall reimburse Sublandlord for Sublandlord's cost of performing for Subtenant together with interest thereon at the Interest Rate. Any amounts so expended by Sublandlord shall be immediately due and payable and may be recovered by Landlord using any method permitted for the payment of Rent hereunder. The failure of Subtenant to pay such amounts shall entitle Sublandlord to all of the rights and remedies available to it as if Subtenant had defaulted in the payment of Rent, provided, however, that Sublandlord shall have the option to be reimbursed for such amounts by Subtenant through proportional prorated increases in Additional Rent.

20.5 Subtenant shall pay to Sublandlord a late charge equal to four percent (4%) of the amount of any installment of Rent if such installment becomes more than five (5) days past due.

20.6 Subtenant shall pay to Sublandlord, upon demand, interest at the Interest Rate on any past-due payments of Rent due hereunder.

20.7 Sublandlord may exercise any rights allowed Prime Landlord under the Prime Lease.

21. SURRENDER.

Upon the expiration or earlier termination of this Sublease, or upon termination of Subtenant's right of possession hereunder, at any time and for any reason, Subtenant promptly and peaceably shall surrender to Sublandlord the Premises and all buildings, structures and improvements thereon, together with all improvements, fixtures and equipment belonging to Sublandlord, and/or the Prime Landlord, their agents, servants or employees, "broom clean," in good condition and repair, normal wear and tear excepted, and as may be otherwise required by the Transaction Documents. The foregoing shall apply in the absence of applicable terms and provisions in the

Prime Lease, and in the event the Prime Lease contains applicable terms and provisions relating to the condition of the Premises at the time of their surrender, such terms and provisions and this Section 21 shall apply concurrently. Any maintenance or repair work to any major building systems or structural components of the Premises, including the roof, masonry, electrical, plumbing, asphalt and HVAC systems that is undertaken by Subtenant in contemplation of the surrender of the Premises at the expiration or earlier termination of the Sublease shall be scoped and performed by bonded, licensed and insured contractors, subcontractors or specialist tradesmen, as applicable. In the event Subtenant remains in possession following such events or Prime Landlord refuses to accept the surrender of the Premises due to Subtenant's failure to comply with the foregoing, Subtenant shall occupy the Premises as a tenant from month to month, subject to all the covenants of this Sublease insofar as they are consistent with such a tenancy, except that Subtenant shall be liable for any and all actual damages incurred by Sublandlord as a result of such holdover, and, in addition Base Rent and percentage rent (if applicable) during such holdover period shall be at the greater of (i) a rate of twice of the amount which would be payable for the last twelve (12) month period preceding the termination or expiration of this Sublease, or (ii) the amount required under the Prime Lease. Notwithstanding anything in this Sublease to the contrary, upon the expiration or earlier termination of this Sublease, or upon termination of Subtenant's right of possession hereunder, Sublandlord shall automatically become the owner of all of the improvements located at the Premises, including all buildings and structures, without requirement for any additional conveyance documentation or consideration; provided, however, that if either party requests delivery of a reasonable bill of sale therefor to confirm such conveyance, the other party shall cooperate in the prompt execution and delivery thereof; further provided, however, that if the Prime Landlord requires the removal of any or all of the improvements located at the Premises, including any building or structure, Subtenant shall be responsible therefor.

22. SUBLANDLORD'S WAIVER.

The failure of either party at any time or from time to time to require strict compliance by the other with the provisions of this Sublease shall neither waive nor prejudice such party's continued right to insist upon the due and timely performance of this Sublease and to avail itself of any and all remedies provided by law or by this Sublease.

23. GOVERNING LAW.

Sublandlord and Subtenant agree that this Sublease and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Sublease and any other claim or controversy between the Sublandlord and Subtenant shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles. Sublandlord and Subtenant agree that, to the extent any disputes cannot be resolved directly between them, Subtenant shall file any suit against Sublandlord only in the federal or state court having jurisdiction where Sublandlord's principal offices are located at the time suit is filed. Sublandlord may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Subtenant resides or does business or where the Premises is or was located or where the claim arose. Subtenant consents to the personal jurisdiction of those courts over Subtenant and venue in those courts. **Sublandlord and Subtenant waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.**

24. RECORDING OF SUBLEASE.

This Sublease shall not be recorded; provided, however, that, if not prohibited by the Prime Lease, and subject to the provisions of the Prime Lease, a memorandum hereof in a form reasonably acceptable to the parties shall at the option of either party be recorded at the expense of the Subtenant. Such filing of a separate memorandum in each such county (or subdivision) is made only to record the grant of the subleasehold interest provided by herein and shall not be construed to evidence or effect a separate and distinct transfer of interest as to the Premises apart from the demise of the Premises contained herein.

25. SUBTENANT AS INDEPENDENT CONTRACTOR.

Subtenant is and shall remain an independent contractor and shall have no authority to act as an agent of Sublandlord or power to bind Sublandlord in any manner. This Sublease shall not create any relationship of employer-employee, trustee-beneficiary, principal-agent, partnership or joint venture.

26. NO OTHER ASSURANCES.

Subtenant has entered into this Sublease in reliance upon its provisions and upon the provisions of the Prime Lease, including any amendments, supplements and extensions, and not in reliance upon any alleged assurances, representations and warranties made by Sublandlord, its officers, directors, agents, servants or employees.

27. BROKERS.

Each party represents and warrants to the other that it has not directly or indirectly dealt with any broker or agent relative to this Sublease or had its attention called to the Premises by any broker or agent and agrees to indemnify, defend and hold the other party harmless from and against any and all claims for commission arising out of the indemnifying party's execution and delivery of this Sublease.

28. NOTICES.

Any notices, requests, or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or overnight commercial courier or mailed by United States certified mail, return receipt requested, postage prepaid, and addressed to each party at its address as set forth in Section 1.9 of the Basic Sublease Information. Any such notices, requests or other communications shall be considered given or delivered, as the case may be (a) on the date of hand delivery, (b) on the second (2^{nd}) day following the date of deposit in the United States mail, or (c) on the next business day after the date of deposit with an overnight commercial courier as provided above. Rejection or other refusal to accept or inability to deliver because of change of address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. By giving at least five (5) days prior written notice thereof to the other parties, a party hereto may from time to time and at any time change its mailing address.

29. INTERPRETATION.

When the context so requires, words of any gender used in this Sublease shall be held to include any other gender and words in the singular shall be held to include the plural. "Subtenant" shall include the heirs, executors, administrators and personal representatives of any individual Subtenant as well as Subtenant's assigns (subject to Sublandlord's prior written consent) and the successor of any incorporated Subtenant unless the context precludes such construction. The captions or headings of particular paragraphs or parts of this Sublease are inserted for convenience only and shall not affect the meaning of this Sublease as a whole, or any paragraph or any part of it. If any term or provision of this Sublease or the application hereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such term or provision to persons whose circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. AMENDMENT.

No alleged modifications, termination or waiver of this Sublease shall be binding unless it is set out in writing and signed by the party against whom or which it is sought to be enforced. Any document or writing to be binding on Sublandlord, whether this Sublease or any amendment, supplement or extension, must be signed by both Subtenant and Sublandlord, the latter acting through an authorized officer. In the event that a broker is retained by Sublandlord or Subtenant for the negotiation of any amendment to this Sublease, Subtenant agrees to pay any related fees charged by the broker in connection therewith. Subtenant shall not engage with Prime Landlord to negotiate the terms of an amendment to this Sublease without the prior written consent of Sublandlord, unless, pursuant to a written instrument between Sublandlord and Prime Landlord, the Prime Landlord has agreed to engage in negotiations for Subtenant to become the tenant of Prime Landlord for the Premises, provided, however, that if Sublandlord provides written notice to Subtenant of its sole determination that such negotiations between Subtenant and Prime Landlord have failed, Subtenant shall no longer be permitted to so engage with Prime Landlord.

31. SOLE UNDERSTANDING OF PARTIES.

This Sublease, the Transaction Documents and related documents, instruments and agreements, contain the entire understanding between the parties with respect to their respective subject matter, the Premises, and all aspects of the relationship between Subtenant and Sublandlord.

32. COUNTERPART AND ELECTRONIC SIGNATURES.

This Sublease may be signed in any number of counterparts and by facsimile or email, in which case, any and all copies shall be deemed and original and all counterparts shall be taken together to form a single document.

33. ESTOPPEL CERTIFICATES.

Subtenant agrees from time to time, within seven (7) days after written request by Sublandlord, to execute, acknowledge and deliver to Sublandlord an estoppel certificate in favor of Sublandlord, Prime Landlord, or a mortgagee, lender or potential transferee thereof, on a form reasonably satisfactory to the party requesting the same, certifying the following as true and correct (or if not

so, then the facts and circumstances that are true and correct): (i) that this Sublease is unmodified and in full force and effect (or, if there have been any modifications, that this Sublease is in full force and effect as modified and stating the modifications); (ii) that Subtenant has no defenses, offsets or counterclaims against Sublandlord entitling Subtenant to not pay Rent (or, if there are any defenses, offsets or counterclaims, setting them forth in reasonable detail); (iii) that there are no uncured defaults of Sublandlord or Subtenant under this Sublease (or, if there are any defaults, setting them forth in reasonable detail); (iv) the dates to which the Rent has been paid; and (v) such other reasonable matters as may be requested in such estoppel certificate.

34. SUBORDINATION; TRANSFER OF SUBLANDLORD'S INTEREST.

Sublandlord shall have the absolute right from time to time to encumber the Premises and/or Sublandlord's interest under this Sublease, or to otherwise transfer its rights under the Prime Lease or Sublease, and in the event of such transfer, Sublandlord shall have no further obligation to Subtenant. The rights of Subtenant under this Sublease shall be subject and subordinate at all times to the lien of any mortgage, deed of trust or other encumbrance or lien now or hereafter in force encumbering the Premises, the Prime Lease or Sublandlord's interest under this Sublease. If any such mortgage or deed of trust or encumbrance shall be foreclosed, at the election of the holder thereof, Subtenant will attorn to the transferee at any foreclosure sale thereunder, or transfer in lieu of foreclosure, and will execute such instruments as may be necessary or appropriate to evidence such attornment. In connection with any mortgage or deed of trust or encumbrance hereafter executed by Sublandlord, Subtenant agrees to comply with any assignment of rents executed by Sublandlord providing for direct payment of the Rent hereunder to the holder of such assignment. The subordination provision of this Sublease to any mortgage or deed of trust is self-executing, and no further instrument is required to evidence such subordination except as provided in this Section; provided, however, that Subtenant will execute and deliver to Sublandlord, within ten (10) days after demand by Sublandlord, such documents to confirm or evidence any such subordination, including such additional provisions as may be required by such lender.

35. SURVIVAL.

Except as otherwise set forth in this Sublease, any obligations of Subtenant or Sublandlord (including, without limitation, rental or other monetary obligations, repair obligations and obligations to indemnify) shall survive the expiration or earlier termination of this Sublease and Subtenant shall immediately reimburse Sublandlord for any expense incurred by Sublandlord in curing Subtenant's failure to satisfy any such obligation (notwithstanding the fact that such cure might be affected by Sublandlord following the expiration or earlier termination of this Sublease).

36. GUARANTEE.

Sublandlord shall have no obligations under this Sublease unless and until each of _____ and his or her spouse, as applicable, has executed and delivered to Sublandlord a Guarantee in substantially the form as Exhibit C attached hereto and made a part hereof by this reference, it being agreed and understood that such Guarantee is a condition precedent to Sublandlord's willingness to proceed with the transaction hereunder.

37. OFAC CERTIFICATION.

Each party certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity, or nation. The parties hereby agree to defend, indemnify, and hold harmless each other from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

38. [CASP INSPECTION][2]

[Sublandlord hereby advises Subtenant that the Premises has [not] undergone an inspection by a certified access specialist, and Sublandlord shall have no liability or responsibility to make any repairs or modifications to the Premises in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Cal. Civ. Code Section 1938(e). Subtenant shall be solely responsible for complying with any and all laws with respect to the accessibility of the Premises and Subtenant's improvements thereon. Subtenant waives any and all claims arising out of any violation of such law with respect to accessibility of the Premises at any time after the Effective Date, and whether applicable to the land or the Subtenant's improvements, and shall indemnify, Subtenant shall defend and hold Sublandlord harmless from any and all such claims occurring on the Premises during the Term.]

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[2] Note to Draft: For CA Subleases only.

IN WITNESS WHEREOF, the undersigned have executed this Sublease as of the Effective Date.

SUBLANDLORD:
CARL'S JR. RESTAURANTS LLC
a Delaware limited liability company

By: _____

Name: _____

Title: _____

SUBTENANT:

By: _____

Name: _____

Title: _____

EXHIBIT A

Description of Premises

[*To be inserted*]

Subject to real estate taxes and assessments and personal property taxes for the current year, as well as being specifically subject to all covenants, conditions, restrictions, reservations, easements and encumbrances and other matters of public record, zoning regulations, mineral rights reserved or conveyed to others, public and private rights-of-way, special exceptions which would appear on a title commitment which are not of public record, as well as matters which would be revealed by a current, accurate survey of the Premises, including, without limitation, any boundary overlaps or acreage shortages

EXHIBIT B

Form Option Term Notice

Via Email and [*Delivery Method*]
[*Subtenant Entity*]
[*Notice Address*]

[*Date*]

RE: Notice of Election to [Not] Exercise of Option to Extend Term for Carl's Jr. Unit [*Unit Number*] Located at [*Restaurant Address*]

To Whom is May Concern,

I am writing to inform Carl's Jr. Restaurants LLC, a Delaware limited liability company ("Sublandlord"), that [*Subtenant Entity*], a [*State*] [*Entity Type*] ("Subtenant"), is hereby [electing not to exercise / exercising] its option to extend the term of that certain Sublease by and between Sublandlord and Subtenant dated as of [*Effective Date*] (the "Sublease") by delivery of this letter in conformity with the terms thereof.

As a result of this letter, the term of the Sublease shall [no longer] expire on [*Expiration Date of Current Term*] [, and the term of the Sublease shall expire on [*Expiration Date of Option Term*]].

Sincerely,

[*Signature*]
[*Subtenant Entity*]

EXHIBIT C

GUARANTEE

In consideration of, and as an inducement for the granting, execution and delivery of the Sublease Agreement, dated _____ (the "Sublease"), by and between Carl's Jr. Restaurants LLC, a Delaware limited liability company ("Sublandlord") and _____, a _____ ("Subtenant"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned ("Guarantor", which term shall be deemed to include the undersigned guarantor(s) and its/their heirs, successors and assigns) does hereby (jointly and severally, if executed by two or more guarantors) guarantee, absolutely and unconditionally, to Sublandlord and its successors and assigns the full and prompt payment of Rent and all other charges and sums (including, without limitation, Sublandlord's legal expenses and attorney's fees and disbursements) payable by Subtenant under the Sublease, and hereby further guarantees the full and timely performance and observance of all the covenants, terms, conditions, and agreements therein provided to be performed and observed by Subtenant; and Guarantor hereby covenants and agrees to and with Sublandlord that if default shall at any time be made by Subtenant in the payment of any Rent or other charges and sums, or if Subtenant should default in the performance and observance of any other terms, covenants and conditions contained in the Sublease, Guarantor shall and will forthwith pay Rent and all other charges and sums, to Sublandlord and any arrears thereof, and shall and will forthwith faithfully perform and fulfill all of such terms, covenants and conditions and will forthwith pay to Sublandlord all damages that may arise in consequence of any default by Subtenant under the Sublease, including, without limitation, all reasonable attorney's fees and disbursements incurred by Sublandlord or caused by any such default or the enforcement of this Guarantee.

This Guarantee is an absolute and unconditional Guarantee of payment (and not of collection) and of performance. The liability of Guarantor is joint, several and co-extensive with that of Subtenant and this Guarantee shall be enforceable against Guarantor without the necessity of any suit or proceeding on Sublandlord's part of any kind or nature whatsoever against Subtenant and without the necessity of any notice of nonpayment, non-performance or non-observance or of any notice of acceptance of this Guarantee or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives. Guarantor hereby expressly agrees that the validity of this Guarantee and the obligations of Guarantor hereunder shall in no way be terminated, affected diminished or impaired by reason of (a) the assertion or the failure to assert any of the rights or remedies reserved by Sublandlord against Subtenant pursuant to the terms, covenants and conditions of the Sublease, or (b) any non-liability of Subtenant under the Sublease, whether by insolvency, discharge in bankruptcy or any other similar defect or defense which may now or hereafter exist in favor of Subtenant.

This Guarantee shall be a continuing Guarantee, and the liability of Guarantor hereunder shall in no way be affected, modified or diminished by reason of (a) any assignment, renewal, modification, amendment or extension of the Sublease, or (b) any modification or waiver of or change in any of the terms, covenants and conditions of the Sublease by Sublandlord and Subtenant, or (c) any extension of time that may be granted by Sublandlord to Subtenant, or (d) any consent, release, indulgence or other action, inaction or omission under or in respect of the Sublease, or (e) any dealings or transactions of matter or thing occurring between Sublandlord and

Subtenant, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding affecting Subtenant, whether or not notice thereof is given to Guarantor. Guarantor expressly waives the right to require Sublandlord to take action against Subtenant.

Should Sublandlord be obligated by any bankruptcy or other law to repay to Subtenant or to Guarantor or to any trustee, receiver or other representative of either of them, any amounts previously paid, this Guarantee shall be reinstated in the amount of such repayments. Sublandlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligation exists.

No delay on the part of Sublandlord in exercising any rights, power or privilege under this Guarantee or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

No waiver or modification of any provision of this Guarantee nor any termination of this Guarantee shall be effective unless in writing and signed by Sublandlord, nor shall any such waiver be applicable except to the specific instance for which given.

All of Sublandlord's rights and remedies under the Sublease and under this Guarantee, now or hereafter existing at law or in equity or by statute or otherwise, are intended to be distinct, separate and cumulative and no exercise or partial exercise of any such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the other rights or remedies herein or therein.

Guarantor agrees that whenever at any time or from time to time Guarantor shall make any payment to Sublandlord or perform or fulfill any terms, covenant or condition hereunder on account of the liability of Guarantor hereunder, Guarantor will notify Sublandlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor by subrogation or otherwise to the rights of Sublandlord against Subtenant, or any other claim against Subtenant for such amounts, unless and until payment of all sums or fulfillment of all covenants, terms, conditions or agreements to be paid or performed by Subtenant.

Guarantor agrees that it will, at any time and from time to time, within ten (10) business days following written request by Sublandlord, execute, acknowledge and deliver to Sublandlord a statement certifying that this Guarantee is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the Premises (as defined in the Sublease) from or through Sublandlord or by any mortgagee (as defined in the Sublease) or prospective mortgagee or landlord of the Premises or of any interest therein.

This Guarantee may be executed in any number of counterparts each of which shall be an original, and such counterparts shall together constitute one and the same instrument. This

Guarantee may also be executed and transmitted by facsimile or by electronic mail, in which event, the same shall have the same force and effect as an originally executed document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed this Guarantee as of the ___ day of_____, 20__.

GUARANTOR:

_____ _____

_____ _____

_____ _____

[Add notary blocks]

EXHIBIT O

STATE EFFECTIVE DATES PAGE

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

STATE	EFFECTIVE DATE
California	May 24, 2026, as amended June 15, 2026
Hawaii	
Illinois	May 24, 2026, as amended June 15 2026
Indiana	May 24, 2026, as amended June 15, 2026
Minnesota	
New York	May 24, 2026, as amended June 15, 2026
Washington	

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.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CJR offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires CJR to give 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 payment of any consideration that relates to the franchise relationship.

If CJR does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name - John Mayes; Address - 6700 Tower Circle, Suite 1000, Franklin, TN 37067; and Telephone Number - (615) 538-9152.

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

Issuance Date: May 24, 2026, as amended June 15, 2026

I have received a disclosure document issued on May 24, 2026, as amended June 15, 2026. This disclosure document included the following exhibits: A. List of State Administrators; B. Agents for Service of Process; C. Development Agreement; D. Franchise Agreement; E. Preliminary Agreement; F. Confidentiality Agreement; G-1. Software Support Agreement for PAR Brink and CrunchTime; G-2 OLO Authorized Operator Agreement; H. List of Franchisees That Closed/Transferred Franchised Restaurants in last Fiscal Year; I. List of Franchisees and Franchised Locations; J. Financial Statements; and K. Addenda Required by Certain States; L. CJR 2026 Development Incentive Program Addendum to Franchise Agreement; M. Renewal Addendum; N. Sublease; and O. State Effective Dates Page.

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date

TO BE RETAINED BY YOU

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CJR offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires CJR to give 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 payment of any consideration that relates to the franchise relationship.

If CJR does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name - John Mayes; Address - 6700 Tower Circle, Suite 1000, Franklin, TN 37067; and Telephone Number - (615) 538-9152.

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

Issuance Date: May 24, 2026, as amended June 15, 2026

I have received a disclosure document issued on May 24, 2026, as amended June 15, 2026. This disclosure document included the following exhibits: A. List of State Administrators; B. Agents for Service of Process; C. Development Agreement; D. Franchise Agreement; E. Preliminary Agreement; F. Confidentiality Agreement; G-1. Software Support Agreement for PAR Brink and CrunchTime; G-2 OLO Authorized Operator Agreement; H. List of Franchisees That Closed/Transferred Franchised Restaurants in last Fiscal Year; I. List of Franchisees and Franchised Locations; J. Financial Statements; and K. Addenda Required by Certain States; L. CJR 2026 Development Incentive Program Addendum to Franchise Agreement; M. Renewal Addendum; N. Sublease; and O. State Effective Dates Page.

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Date	Date

TO BE RETURNED TO CARL'S JR. RESTAURANTS LLC