FRANCHISE DISCLOSURE DOCUMENT
(Freestanding)

FRANCHISE DISCLOSURE DOCUMENT

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

The franchisee will operate a Champs Chicken restaurant in a freestanding building. The restaurant will offer a wide variety fried chicken, fried fish, side dishes, breakfast items and other menu items (the "Products and Services").

The total investment necessary to begin operation of a Champs Chicken franchise in a freestanding building is $226,000 to $3,498,500. This includes $37,500 to $50,000 that must be paid to the franchisor or affiliate.

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

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

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

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

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

Issuance Date: October 17, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
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 D 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 Champs Chicken 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 Champs Chicken Franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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ITEM 1.

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

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

Our principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We are a Delaware limited liability company, organized on September 4, 2013. We do business under our corporate name and under the trade name and trade mark, "Champs Chicken".

We began offering franchises for freestanding locations in 2022.

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

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

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

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

Parent and Affiliates

Our parent is Pro Food Systems, Inc., a Missouri corporation, was formed on July 13, 1998, and its principal business address is 120 Commerce Drive, Holts Summit, Missouri 65043. We refer to Pro Food Systems, Inc. as "Pro Food Systems" or "Parent" and Franchisor is a wholly-owned subsidiary of Parent.

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

Pro Food Systems also authorizes outlets to use the "Cooper's Express" trademarks. These outlets sell products and services that are similar to the Products and Services you will offer. Pro Food Systems expects to expand the Cooper's Express program. Cooper's Express outlets are generally located within an existing business. They are owned and operated by Pro Food Systems' licensees. Pro Food Systems currently has 327 licensees who use the Cooper's Express trademark.

In February 2018, our affiliate, BluTaco Franchising, LLC, began offering franchises for the establishment and operation of restaurants within an existing business using the "BluTaco" trademark, offering and selling products and services that are food related, but different than the Champs Chicken Products and Services you will offer at the Freestanding Restaurant. In November 2021, BluTaco Franchising began offering franchises for the establishment of freestanding locations using the "BluTaco" trademark, offering and selling products and services that are food related, but different than the Champs Chicken Products and Services you will offer at the Freestanding Restaurant.

In December 2020, our affiliate, Hangar 54 Pizza Franchising, LLC, began offering franchises for the establishment and operation of restaurants within an existing business using the "Hangar 54 Pizza™" trademark, offering and selling products and services that are food related, but different than the Champs Chicken Products and Services you will offer at the Freestanding Restaurant.

Except as described above, our parent and our affiliate do not operate, franchise, or have plans to operate or franchise, a business under a different trademark that is similar to the type of business to be operated by you.

Our Predecessor

We do not have a predecessor.

Our Business and the Franchises Offered

In April 2014, under a separate franchise disclosure document, we began offering franchises for restaurants ("Champs Chicken Restaurants") that operate within an existing business such as a grocery store or convenience store ("Business-Within-a-Business Locations" or "BWB Locations") which sell Champs Chicken products and services and uses our Champs Chicken trademarks and operates using our business formats, methods, standards, and specifications (the "System") for the operation of a BWB Location.

This franchise disclosure document is for the establishment and operation of a restaurant in a freestanding location which sells Champs Chicken Products and Services and uses our Champs Chicken trademarks and operates using the System for the operation of a freestanding restaurant. We grant you the right to open and operate a freestanding restaurant (the "Freestanding Restaurant") under the terms of the Franchise Agreement attached as Exhibit A to this disclosure document.

You must operate the Freestanding Restaurant using the System including offering the products and services we specify. If you want to sell beer, wine and/or liquor at the Freestanding Restaurant, and if we approve of you doing so, you must obtain and maintain a liquor license permitting the sale of alcoholic beverages at the Freestanding Restaurant.

Franchises for freestanding restaurants are available for those areas where we have not granted currently-effective franchises, options, or other territorial rights and in which we are registered to do so, if applicable.

If you want the right to develop additional Freestanding Restaurants, we may offer you the opportunity to enter into an Option Addendum that grants you the right to develop and open a specific number of additional Freestanding Restaurants according to a schedule (the “Development Schedule”) within a specific geographic territory (the “Option Territory”). A copy of the Option Addendum is attached as Schedule C to the Franchise Agreement.

Laws and Regulations

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

Competition

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

ITEM 2.

BUSINESS EXPERIENCE

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

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

Senior Vice President – People Success: Carla Dowden

Ms. Dowden has served as Sr Vice President-People Success of Pro Food Systems since October 2022. As part of our affiliate relationship with Pro Food Systems, she also Vice President of Human Resources of Pro Food Systems since November 2010. As part of our affiliate relationship with Pro Food Systems, she has also served as our Vice President of Human Resource since September 4, 2013.

Senior Vice President of Operations: Brock Blaise

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

Chief Financial Officer: Kyle Menges

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

Vice President of Technology: John Bleidistel

Mr. Bleidistel has served as Vice President – Technology of Pro Food Systems since October 2022. As part of our affiliate relationship with Pro Food Systems, he also served as Director of Technology of Pro Food Systems since February 2009. As part of our affiliate relationship with Pro Food Systems, he has also served as our Director of Technology since September 4, 2013.

Key Account Manager: Brian Harding

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

National Business Developer: Lori Humphrey

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

Regional Manager - Retail Growth: Tim Sullivan

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

Regional Manager - Retail Growth: Dwight Stiles

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

Regional Manager - Retail Growth: Tim Huntington

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

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

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

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

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

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

Regional Business Developer: Clayton Waldie
Mr. Waldie has served as Regional Business Developer of Pro Food Systems since June 4, 2018. As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Business Developer since June 4, 2018. From July 2017 to June 2018, he was Vice President of Operations for Waldie Farms located in Marion, North Dakota. From March 15, 2015 to July 1, 2017, he served as the Director of Sales and Marketing for CD Hartnett Company located in Weatherford, Texas.

Vice President - Business Development: Mason Hutchinson
Mr. Hutchinson has served as Vice President -Business Development since September 24, 2021. From April 28, 2020 to September 23, 2021 he served as a Regional Manager – Business Development As part of our affiliate relationship with Pro Food Systems, he has also served as our Regional Manager – Business Development since April 28, 2020. From December 9, 2019 to

April 27, 2020, he served as Regional Business Developer of Pro Food Systems. From April 2018 to November 2019, he served as Midwest Business Development Manager for Aperion Solutions, a division of Hussman Corporation, located in Bridgeton, Missouri. From August 2012 to April 2018, he served as Midwest Regional Sales Manager, for Crown Poly, Inc., located in Huntington, California.

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

Regional Business Developer: James Patrick Ross

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

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

Regional Business Developer: Joseph Faretta
Mr. Faretta has served as Regional Business Developer for Pro Food Systems, Inc. since June 23, 2025. From March 2025 to June 2025, he served as a Senior Account Manager for HWY Partners in Shillington, Pennslyvania. From October 2024 to March 2024, Mr. Faretta served as a Regional Sales Manager for Vitamin Wlle Inc. in Los Angeles, CA. From April 2021 to September 2024, he served as the VP of Sales for Sweetwood Smoking Co. in Steamboat Springs, Colorado.

Regional Business Developer: Christopher Carman
Mr. Carman has served as Regional Business Developer of Pro Food Systems since December 2024. From June 2023 to October 2024, he was the Project Manage for Circle K located in Indiana. From January 2017 to June 2023, he was the District Manager for Circle K in Indiana.

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

ITEM 3.

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4.

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5.

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee in the amount of $25,000 at the time you sign the Franchise Agreement (the “Initial Franchise Fee”).

Initial Training Fee

You must pay us an initial training fee (the “Initial Training Fee”). The amount of the Initial Training Fee will range from $12,500 to $25,000. The amount will depend on: (i) the size of the Freestanding Restaurant; (ii) the location of the Freestanding Restaurant; (iii) your experience as a restaurant operator; (iv) the number of other Restaurants you operate under the System; (v) the number of restaurants you operate under other systems we or our affiliates may develop; (vi) the number of your personnel to be trained; (vii) the experience of your personnel to be trained; (viii) food and lodging expenses in the area where the Freestanding Restaurant is located; (ix) travel expenses; and (x) other factors.

You must pay the Initial Training Fee in a lump sum before you begin training.

Option Deposit and Option Fee

We may enter into an Option Addendum with you. The Option Addendum will give you the right to develop additional Restaurants. You must pay us a deposit of $5,000 for each additional Restaurant you purchase the right to develop under the Option Addendum (the “Option Deposit”). You must pay all Option Deposits in a lump sum when you sign the Franchise Agreement.

Each time you exercise an option, you must pay us a lump sum of $12,500 for that location (the “Option Fee”).

Extensions

You must open the Freestanding Restaurant for business by the end of one year after the date of the Franchise Agreement (the “Opening Date”).

We may, on your request, grant you up to three 60-day extensions past the time allotted for you to open the Freestanding Restaurant. We do not charge any fee for the first extension. You must pay us $2,500 for the second extension and $5,000 for the third extension (the "Extension Fees").

Refundability

We will refund the entire amount of the Initial Franchise Fee and all Option Deposits you paid if you deliver a properly-executed original of the Franchise Agreement and all schedules to it, together with the Initial Franchise Fee and Option Deposits, to us, and we do not enter into the Franchise Agreement within 30 days.

Except, as described in the preceding paragraph all fees shown in this Item 5 are non-refundable.

Variances

The Initial Franchise Fee, Option Deposit, Option Fee, and Extension Fees are uniform for all Franchises we now offer through this Disclosure Document.

The Initial Training Fee will vary as shown above. However, we and our affiliates intend to charge similarly-situated franchisees substantially the same fees for the same training.

Although we have no present intention of varying the fees and costs, we reserve the right to do so. The factors we would consider in deciding whether to vary the fees may include the value of the area where the franchisee intends to develop Restaurants, the franchisee's qualifications, and other factors. For example, if we determine that a specific area is particularly valuable, we may increase the Initial Franchise Fee, or the Option Deposit or Option Fee, we charge for that area. If we determine that a particular franchisee brings special qualifications to the System, we may decrease the amount of the fees we charge that franchisee. If we grant a variance, we will comply with all notice requirements under negotiated sales statutes and rules.

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ITEM 6.

OTHER FEES

Column 1 Type of Fee (Note 1)	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Payment Processing Fee Reimbursement	Approximately $0.14 per payment	Within 10 days of request for payment.	*See* Note 2
Collection Charge	The greater of: i) $100 per delinquent payment; or ii) our actual costs of collection, plus interest	Within 5 days of request for payment	*See* Note 3
Grand Opening Advertising	$7,500	Must be spent during period 30 days before your Opening Date to 60 days after your Opening Date	You will pay the amount needed to fulfill the Grand Opening Advertising Requirement to advertising companies and media, not to us.
Required Minimum Local Advertising Requirement	3.0% of Gross Sales per calendar quarter.	As incurred.	Payable to third parties. All advertising must be approved by us. You may apply funds spent through the MDF Program to your Minimum Local Advertising Requirement.
Reimbursement of Franchise Taxes and Similar Taxes	Amount of taxes.	As incurred, within 10 days of request for payment.	If a governmental authority imposes a tax or charge on us or our affiliates related to fees you are obligated to pay us, the transactions between us, or other aspects of our relationship, you must reimburse us for the amount we pay. This requirement does not require you to reimburse us for federal, state, or local income taxes. The amount of the reimbursement would depend on a number of factors, like the governmental

Column 1 Type of Fee (Note 1)	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			authority (federal, state, or local) that imposes the tax or charge, whether one or more governmental authorities impose it, the governmental authorities' need for revenue, and other factors.
Reimbursement of Relocation Costs	Our costs and expenses incurred related to your relocation.	Within 10 days of request for payment.	Payable only if you relocate the Freestanding Restaurant. Costs and expenses may include, but are not limited to, replacement site evaluation and attorney' fees and costs.
Approval of Suppliers	$0 to $500 for each supplier and item you request that we approve	Within 10 days of request for payment.	Payable only if you request that we approve a supplier or the items a supplier offers.
Reporting Services	$0 to $5,000 a year	As required by supplier.	Our reporting service company converts data from your POS System into reports that help determine the best product mix for the Freestanding Restaurant, profitability, and other matters. Our current reporting service company is MicroSale.
Principal Training	Our then-current fee. Currently $2,500 per person	Within 10 days of request for payment.	Payable only if you request that we train an unreasonable number of Principals.
Manager Training	Our-then current fee. Currently $2,500 per person	Within 10 days of request for payment.	Payable only if we determine that you want us to train an unreasonable number of Managers.

Column 1 Type of Fee (Note 1)	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Additional Training	Our then-current fee. Currently $75 to $200 per hour.	Within 10 days of request for payment.	We will provide you with any additional training that we believe would benefit the System.
Indemnification	Varies under circumstances	Within 10 days of request for payment.	You must reimburse us for losses from claims, damage, or lawsuits related to the Franchise Agreement.
Royalty Fee	3.0% of Gross Sales after discounts (coupons)	Payable to Champs Chicken Franchising, LLC monthly on the 10th day of the next month	Gross Sales after discounts (coupons) include all revenues from the franchised location, excluding sales tax ("Gross Sales")
Project Management Fee	$10,000 to $15,000	Within 10 days of request for payment	Travel expenses will be included in this fee.
Transfer of Franchise	$2,500	Prior to transfer	Paid if you assign or transfer, with our written permission, the rights to the Franchise Agreement.
Transfer of Operating Rights	Varies	Within 10 days of request for payment.	We will not charge you a Transfer Fee for the transfer of Operating Rights; provided, however, you will reimburse us for our actual costs related to such transfer of Operating Rights, including without limitation, our attorneys' fees and costs.
Successor Agreement Fee	$7,500		The Successor Agreement Fee compensates us for the costs and out-of-pocket expenses, including attorneys' fees and costs.

Column 1 Type of Fee (Note 1)	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Management Fee (Death or Disability)	Varies, but generally 10% to 20% of revenue earned during the period that we manage the Freestanding Restaurant.	As incurred	If you die or are disabled and your successor is unable to operate the Freestanding Restaurant, we may operate it until you find a suitable successor. If we operate the Freestanding Restaurant, we may charge a reasonable management fee for our efforts.
Reimbursement of Training Costs	$5,500	<u>If You Terminate</u>: Together with your notice of termination <u>If We Terminate</u>: So that we actually receive payment by the end of 10 days after we request it	Payable only: i) if you terminate the Franchise Agreement within one year after the Opening Date of the Freestanding Restaurant; or ii) if we terminate the Franchise Agreement within one year after the Opening Date due to your breach.
Damages (For Loss of Benefit of the Bargain We Are Entitled to Receive)	$1,500 to $25,000	On termination of the Franchise Agreement due to your breach. If you close a Restaurant where the closure does not involve termination of the Franchise Agreement.	
Liquidated Damages For Breach of Your Obligations on Termination)	$250 to $1,250 per day multiplied by the number of days you are not in compliance with your obligations upon termination	On your breach of your obligations upon termination of the Franchise Agreement	Your compliance with your obligations on termination of the Franchise Agreement is within your sole control.
Costs and Attorneys' Fees	Varies under circumstances	Within 10 days of request for payment.	You pay these fees only if you breach the Franchise Agreement or if there are other claims related to our relationship.

Column 1 Type of Fee (Note 1)	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Regional Advertising Fee	Up to 2% of your Gross Sales	Payable monthly on the 10th day of the next month	Payable to Regional Advertising Cooperative, if established.
Audit Fee and Surcharge	Cost of Audit plus 10% of unpaid amounts	Within 10 days of request of payment.	Payable only if audit shows an understatement of at least 3% of Gross Sales or unpaid advertising expenditures of at least 3% of the amount required.
GRITT Summit and Franchise Advisory Meeting	Then current registration fees, plus travel expenses.	Paid to Pro Food Systems at the time of registration.	*See* Note 4. You must send at least one (1) individual to the annual GRITT Summit and Franchise Advisory Meeting. This person will be either your Principal or your Manager for each Freestanding Restaurant.

Explanatory Notes:

1. Unless we note otherwise, we impose and collect all fees, and all fees are payable only to us or our affiliate. All fees are uniformly imposed.

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

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

3. If we do not receive payment within the time period it is due, you will be charged a late fee, equal to the greater of $100 per delinquent payment or our actual costs of collection; plus ii) interest on the overdue amount at the lesser of 18% per annum or the highest rate then permitted by applicable law (the "Collection Charge").

4. The GRITT Summit and the Franchise Advisory Meeting are currently held simultaneously. This arrangement will be reviewed on an annual basis and is subject to change.

ITEM 7.

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to Be Made
	Low	High			
Franchise Fee	$25,000	$25,000	As Arranged	At signing of Agreement	Champs Chicken Franchising, LLC
Architectural and Engineering Fees Note 1)	$0	$8,500	As Arranged	As Arranged	Architects, Engineers
Land, Construction, Remodeling, and Site Improvements Note 2)	$75,000	$2,750,000	As Arranged	As Arranged	Contractors
Furniture, Fixtures, Equipment, Technology, Décor, and Signage Note 3)	$65,000	$500,000	As Arranged	As Arranged	Approved Suppliers
Training Expenses: Wages and Benefit Costs Note 4)	$5,000	$20,000	As Incurred	During Training	Your Employees; Suppliers of Benefits
Grand Opening Advertising Note 5)	$5,000	$10,000	As Incurred	As Arranged	Advertisers
Professional Fees Note 6)	$2,500	$15,000	As Incurred	Prior to opening	Attorneys, Accountants
Insurance Premiums for One Year Note 7)	$5,000	$20,000	Lum Sum	Prior to opening	Supplies
Payroll	$10,000	$60,000	As Incurred	During pre-opening and post-opening	Employees
Training, Travel and Living Expenses while Training Note 8)	$15,000	$32,500	As Incurred	Before and during training	Us; Hotels, restaurants and airlines
Opening Coordinator, Opening Training Team (A-Team) Trainers	$10,000	$25,000	As Incurred	During pre-opening and post-opening	

Column 1 Type of Expenditure	Column 2 Amount		Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to Be Made
	Low	High			
Security Deposits, Utility Deposits, Business Licenses, and Other Prepaid Expenses(Note 9)	$1,000	$5,000	As Arranged	Prior to opening	Utilities, Governmental Authorities
Opening Inventory	$2,500	$15,000	As Incurred	As Arranged	Approved Suppliers
Additional Funds – 3 Months(Note 10)	$2,500	$12,500	As Incurred	As Incurred	Suppliers, Employees, Tradesmen
Total	$226,000	$3,498,500			

Explanatory Notes:

1. The low range shown in this table assumes that your location is already outfitted with the needed architecture and spaces required to operate your franchised business. The high range assumes you will need to employ and architect and designer to draft and reconfigure your location o best suite the needs or your franchised business.

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

3. The low range shown in the table assumes that you purchase your signage and lease the other equipment that you need. The high range assumes that you purchase your equipment and signage, including a computer system and electronic cash register system. You are required to purchase or lease all restaurant equipment to cook and warm food, all small wares, retail technology, custom cabinetry, hood, fryer and other items from our approved vendor. This estimate does not include the installation of this purchased equipment, which is included in the estimate relating to Land, Construction, Remodeling, and Site Improvements.

4. Training expenses typically incurred while attending training.

5. You are required to spend at least $5,000 on the promotion of your grand opening.

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

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

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

7. Insurance costs can vary greatly dependent upon location and other factors affecting your Restaurant. The amounts for insurance are estimates for one full year after you purchase the policy.

8. You must pay us the Initial Training Fee detailed in Item 5, which will range from $12,500 to $25,000. In addition, this chart estimates the costs for transportation, lodging and meals for your trainees. These incidental costs are not included in the Initial Training Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses.

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

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

We relied upon the experience of our affiliate-owned Champs Chicken outlets to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

We do not offer financing for any part of the initial investment.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Your Obligation to Purchase or Lease Items

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

No franchisor officer owns an interest in any supplier.

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

Our parent, Pro Food Systems, is an approved supplier; and the only approved supplier of the following proprietary products (the "Proprietary Products"): (i) food preparation equipment; (ii) cooking equipment; (iii) hot food cases; (iv) food inventory; and (v) branded packaging.

Grant and Revocation of Approval of Alternative Suppliers

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

We do not permit you to contract with alternative suppliers to obtain the Proprietary Products. We also have the right to control the ingredients you use in connection with the Products and Services, the packaging of the Products and Services, and similar matters. You must obtain our approval of any alternative supplier of these items, and the products or services it offers, before you use the supplier. To secure our approval: i) you must submit a written request to us for approval, together with any samples, specifications, and other information we may request; ii) the proposed supplier must demonstrate to our reasonable satisfaction that it is able to supply the items to you in compliance with our specifications; and iii) the proposed supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community with respect to its financial soundness and integrity, and the reliability of the items it offers. We may charge you a fee ranging between $25 to $500 for each supplier and item you request that we approve.

If you ask us to approve an unreasonable number of alternative suppliers, products, or services, we have the right to require you to reimburse us for our actual costs and expenses of evaluations we perform.

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

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

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

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

We require you to purchase or lease Proprietary Products and other products and services from us or our Parent. We and our Parent: i) may include a reasonable markup in the price of any products and services we or they sell you; ii) may derive profit from the products and services we or they sell you; and iii) may receive revenue or other material benefit as a result of consideration you or any of our other franchisees pay us or our Parent.

We require you to purchase or lease products and services from third parties. We and our Parent may enter into arrangements with these third parties under which we and our Parent receive revenue or other material benefit, like rebates, discounts, and allowances, as a result of consideration you or any of our other franchisees pay to the third parties.

We may receive revenue or other material consideration from your purchases and leases of products and services from us or our Parent. We anticipate that this consideration will be a percentage of the dollar amount of your purchases and leases. These percentages would vary depending on: i) our cost of producing or purchasing the good or service; ii) the costs and difficulties we incur in storing and shipping the item; iii) competition in the marketplace; iv) the requirements of law; and v) other factors. Many products are commodity based and the prices can fluctuate daily, and the percentages could range from less than 1% to 50% or more of the amount you pay.

Based on the terms of an agreement between Pro Food Systems and us, Pro Food Systems pays to us a fee, on a quarterly basis, equal to one-half of one percent (0.5%) of the total of all purchases by our franchisees.

During the fiscal year ended, June 30, 2025, Pro Food Systems received revenues of $38,590,933 from all required purchases and leases by our franchisees. Based on the terms of an agreement between Pro Food Systems and us, Pro Food Systems pays us a fee, on a quarterly basis, equal to one-half of one percent (0.5%) of the total of all purchases and leases by our franchisees. During our fiscal year ended June 30, 2025, we received fees equal to $192,956 from Pro Food Systems based on the terms of this agreement. This represents 5% of our total revenues of $205,184 for fiscal year ended June 30, 2025

We may receive revenue or other material consideration from suppliers we designate, where the products or services our franchisees purchase or lease are not Proprietary Products. We anticipate that consideration we or our Parent may receive, if any, from our franchisees' purchases and leases of products and services from designated suppliers would be a percentage of the System's purchasing levels. These percentages would vary depending on: i) the supplier's policies; ii) the volume purchased; iii) the customs of the supplier's industry; iv) the requirements of law; v) competition in the marketplace; and vi) other factors. The percentages could range from less than 1% to 8% or more of the amount of the System's purchases.

Your required purchases and leases, which include purchases and leases of products and services from us or our Parent or any designated supplier of ours, and purchases and leases of products and services in accordance with our specifications, will represent approximately 25% to 80% of your total purchases and leases of products and services to establish the Freestanding Restaurant and approximately 55% to 80% of your total purchases and leases of products and services to operate the Freestanding Restaurant.

You are required to the following insurance coverages:

Type of Coverage	Amount
Commercial General Liability	$1 million per occurrence and $2 million in the aggregate
Automobile Liability, for Owned, Non-Owned, and Hired Vehicles	$1 million per claim, including bodily injury and property damage
Workers' Compensation and Employer's Liability	$500,000 per accident $500,000 disease per employee with a policy limit of $500,000 in the aggregate
Excess Liability Umbrella	$2 million per occurrence and in the aggregate
Employment Practices Liability	$50,000 per claim and $50,000 in the aggregate, for defense of claims
Business Interruption	Actual loss sustained for 18 months
Unemployment Compensation, Disability, Social Security, and other insurance required by law	As prescribed by law

<u>Benefits We Provide Based on Your Purchases</u>

We will provide you with material benefits based on your purchases of particular products or services from us or our Parent. We refer to these products or services as the "Branded Products."

We have two programs to provide you with benefits: the "VIR Program" and the "MDF Program."

1. VIR Program. "VIR" stands for "Volume Incentive Rebate." Under the VIR Program, we will pay you a cash rebate based on the amount of your net purchases of Branded Products.

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

We describe the VIR Program and the MDF Program below.

VIR Program

Under the VIR Program, we will pay you a quarterly cash rebate based on the amount of your net purchases of Branded Products. We will pay you a rebate equal to 11% of your total net purchases of Branded Products. This rebate will be paid by the 15th of the month following the end of the previous calendar quarter.

As an example of the rebate calculation, assume your total net purchases of Branded Products during quarter are $100,000. We would pay you a rebate of $11,000, i.e. $100,000 x .11..

There are conditions on our obligation to pay you the rebate:

1. Compliance. You must be in compliance with all agreements with us and our Parent.

All amounts under the VIR Program are ours until we actually pay your share to you.

MDF Program

Under the MDF Program, we have established an advertising fund. We refer to this fund as the "Accrual Fund." We will deposit 9% of your net purchases of Branded Products into the Accrual Fund.

The Accrual Fund is our money that we set aside to invest on your behalf to help grow and/or improve your Restaurant. We will consult with you and collaborate with you to develop strategies to invest these funds. However, the ultimate use of the dollars within this Accrual Fund is at our sole discretion.

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

To receive a reimbursement from the Accrual Fund, you would submit a claim to us within 90 days after the Qualified Advertising was published. We refer to the claim as an "Advertising Claim." If we approve the Advertising Claim, we will reimburse you for the amount of the Advertising Claim, up to the amount of the balance we are holding for you in the Accrual Fund the "Balance"). We may also pay the amount of the Advertising Claim directly to the supplier of advertising.

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

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

General Matters

Currently, we have no purchasing or distribution cooperatives for the System.
We negotiate purchase arrangements with our Parent and some of the other suppliers we designate, including price terms, for the benefit of franchisees.

ITEM 9.

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement[Note 1)]	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6.1	Item 11
b. Pre-opening purchases/leases	Section 7	Items 5 and 8
c. Site development and other pre-opening requirements	Section 6	Item 11
d. Initial and ongoing training	Section 13	Items 6, 7, and 11
e. Opening	Section 8	Item 5
f. Fees		Items 1, 5, and 7
g. Compliance with standards and policies/operating manual	Section 12	Items 8, 11, and 16
h. Trademarks and proprietary information	Recitals, Section 11	Items 13 and 14
i. Restrictions on products/services offered	Section 10	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 11
k. Territorial development and sales quotas	Section 9	Item 12
l. Ongoing product/service purchases	Section 10	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Section 7	Item 12

Obligation	Section in Franchise Agreement[Note 1)]	Disclosure Document Item
n. Insurance	Section 17	Items 6 and 7
o. Advertising	Section 9	Items 6, 7, 8, and 11
p. Indemnification	Section 11, Section 17, Section 18	Item 6
q. Owner's participation/management/staffing	Section 14	Item 15
r. Records and reports	Section 16	Item 6
s. Inspections and audits	Section 16	Item 6
t. Transfer	Section 18	Items 6 and 17
u. Renewal	Recitals, Section 3	Item 9
v. Post-termination obligations	Section 2	Item 9
w. Non-competition covenants	Section 3	Item 9
x. Dispute resolution	Section 22	Item 17
y. Other		
Signage	Section 7	Item 9
Point of Sale ("POS") System	Not Applicable	Item 9
Equipment	Section 10	Items 9 and 11
Test Marketing	Section 13	Item 9

Explanatory Note:

1. All references are to the Franchise Agreement unless otherwise noted.

ITEM 10.

FINANCING

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

ITEM 11.

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

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

Pre-Opening Obligations

Before you open the Freestanding Restaurant:

1. We will review the proposed site for the Freestanding Restaurant. You have the sole responsibility for locating the site where you propose to develop the Freestanding Restaurant and for negotiating the purchase or lease of the site. We refer to your proposed site as the "Proposed Site." We may assist you in selecting a Proposed Site and with negotiating the purchase or lease of the Proposed Site, but we are not obligated to do so. We do not generally own the premises and lease it to you. As a result, you will generally purchase or lease the premises from a third party. We must approve the location where you propose to develop the Freestanding Restaurant.

2. We refer to the location we approve as the "Approved Location." We will not generally own the premises or lease it to you. (Franchise Agreement, Section 6.1).

3. If you lease the Proposed Site, you must deliver notice to us that you have selected the Proposed Site, together with the address and an unexecuted copy of the lease for the Proposed Site, so that we actually receive them by the end of 90 days after the date of the Franchise Agreement. If you purchase the Proposed Site, you must deliver notice to us that you have selected the Proposed Site, together with the address and unexecuted copies of the purchase documents for the Proposed Site, so that we actually receive them by the end of 90 days after the date of the Franchise Agreement. (Franchise Agreement, Section 6.1).

4. We will have 30 days after the date we receive your notice that you have selected the Proposed Site to request information that we deem relevant to our decision to approve or reject the Proposed Site. (Franchise Agreement, Section 6.1).

5. We will provide you, on loan, with one copy of our Operations Manual. (Franchise Agreement, Section 12.1)

6. We will provide you with our Principal Training and Manager Training. (Franchise Agreement, Section 13.2.1)

7. We will provide you with our Opening Assistance. (Franchise Agreement, Section 13.3)

8. We will provide you with standards and specifications for furniture, fixtures, equipment, décor, and signage. (Franchise Agreement, Section 7.2)

9. Consult with you regarding the design, construction, remodeling, equipping, and decorating of the Freestanding Restaurant.

Time for Opening

You must open the Freestanding Restaurant for regular business operations by the end of the date set forth in the Franchise Summary of the Franchise Agreement. You may not open and commence regular business operations until we have given you our written approval to do so. (Franchise Agreement, Section 8.1)

If you are in compliance with the Franchise Agreement, we may grant you up to three (3) sixty (60) day extensions of the Opening Date. If you have not opened the Freestanding Restaurant by the end of the third extension, we will have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 8.2)

If you have not opened the Freestanding Restaurant by the end of the Opening Date, we will have the right to terminate the Franchise Agreement.

Training

We will provide you with our Champs Chicken Manager Training. (Franchise Agreement, Section 13).

Your Principals and your Managers must attend, and successfully complete, to our satisfaction, Principal Training and Manager Training, respectively. Our Training Program as of the date of this Disclosure Document is as follows:

TRAINING PROGRAM

PRINCIPAL TRAINING(Note 1)

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Concept Overview	8	0	*See* Note 2
Operations Review - Unit One	4	4	*See* Note 2
Operations Review - Unit Two	4	4	*See* Note 2
Market Tour	0	8	Local Market

MANAGER TRAINING(Note 1)

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Orientation	4	0	*See* Note 2
Planning, Leading, Organizing, Controlling, Managing, Staffing, and Training	4	2	*See* Note 2
Equipment	6	4	*See* Note 2
Back-of-House Training	4	8	*See* Note 2
Kitchen Management Training	4	4	*See* Note 2
Front-of-House Training	6	6	*See* Note 2
Service Management Training	2	8	*See* Note 2
Inventory Control	2	2	*See* Note 2
Shift Management Training	3	4	*See* Note 2
Training Overview; Questions and Answers	2	2	*See* Note 2
Total Hours of Training:	**53**	**56**	

Explanatory Notes:

1. The actual days and hours of classroom training and on-the-job training will vary depending on a number of factors, like the size of the training class, the experience of attendees in the class, and the experience, strengths, and needs of the attendees.

2. We will conduct all Principal Training and Manager Training at our headquarters, a Certified Training Restaurant, or another Restaurant we designate.

We will conduct training classes on an as-needed basis. We may certify franchisee-owned Restaurants as appropriate places to conduct training (the "Certified Training Restaurant"). We have the sole right to determine where we conduct training. (Franchise Agreement, Section 13).

Our instructional materials consist of our Operations Manual, hands-on training and coaching, and discussions. (Franchise Agreement, Section 12).

The experience of our instructors is as follows:

Name of Instructor	Years of Experience Instructor Has in Subject Instructor is Teaching	Years of Experience Instructor has with our Affiliate, Pro Food Systems
Tim Sullivan	**13**	**13**
Dwight Stiles	**13**	**13**
Tim Huntington	**12**	**12**
Joanne Cavender	**3**	**3**
Rob Lawrence	**2**	**2**
Tom VanLandingham	**2**	**2**
Quentin Bryce	**2**	**5**
Robyn Curphey	**2**	**2**
Jason Weeks	**3**	**3**

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

Explanatory Notes:

We may also use instructors who are independent contractors.

You must pay the Initial Training Fee. You may send a reasonable number of Principals to Principal Training and a reasonable number of Managers to Manager Training at no additional charge. If we determine that you are sending an unreasonable number of attendees, we may charge you a reasonable fee to train the additional attendees. We will list our current prices for Principal Training and Manager Training in the Operations Manual. (Franchise Agreement, Sections 13.1, 13.2).

Our current fee for these additional attendees is $2,500**,** whether the training is Principal Training or Manager Training. (No specific reference in Franchise Agreement). *See* Item 6 of this Disclosure Document.

In determining whether the number of attendees you are sending is reasonable, we may consider: (i) whether you already have the number of Managers that we require; (ii) the volume of business of the Freestanding Restaurant; (iii) the reliability of your existing Managers; (iv) the skills of your existing Managers; (v) your Manager turnover; and (vi) other factors. (No specific reference in Franchise Agreement). *See* Item 6 of this Disclosure Document.

If the Freestanding Restaurant is your first Restaurant being operated under the System, at least one of your Principals must attend and complete Principal Training to our satisfaction, and at least one of your Managers must attend and complete Manager Training to our satisfaction: (i) by the end of 120 days after the Effective Date of the Franchise Agreement; or (ii) before you open the Freestanding Restaurant, whichever is sooner. (Franchise Agreement, Section 13.2).

If you operate other restaurants under the System, your personnel required to attend the initial Manager Training must attend and complete the training to our satisfaction before you open the Freestanding Restaurant. (Franchise Agreement, Section 13.2).

If we extend your Opening Date, we may require any Managers who previously received Manager Training to attend and complete to our satisfaction additional training or refresher training to help ensure that their skills remain current. (Franchise Agreement, Section 13.2).

When your personnel changes, all new Principals and Managers must attend our next regularly-scheduled Principal Training or Manager Training, as we may require, and complete the training to our satisfaction. The fee to train a reasonable number of additional and replacement Principals and Managers is included in the Initial Training Fee. (Franchise Agreement, Section 13.2).

You must have a Manager who has completed our Manager Training to our satisfaction physically present at all times the Freestanding Restaurant is open for business. (Franchise Agreement, Section 14.5).

You may want additional individuals in the Freestanding Restaurant to attend our training. If you do, we may allow them to attend training. However, as a condition of attending training, we may require them to enter into our form of Confidentiality Agreement and Covenant Not to Compete for individuals.

You must pay all expenses you designated attendees incur related to attending any training we conduct, and our Convention. These expenses may include, but will not be limited to, your attendees' travel, food, lodging, wage, benefit, and other costs and expenses. (Franchise Agreement, Section 13.6).

Except for the Opening Assistance, we will determine the location, duration, and program of any training we conduct, and the Convention. (Franchise Agreement, Section 13.6).

We will not pay any compensation for any services you or your attendees perform in the course of any training. (Franchise Agreement, Section 13.6).

We may train any number of attendees from any number of Champs Chicken Restaurants at any training we conduct, at the same time as we train your attendees. We may train attendees from other systems we or our affiliates may develop, at the same time as we train your attendees. (Franchise Agreement, Section 13.6).

If you have five or more Freestanding Restaurants under the System, you must have an Area Director. Your Area Director will be responsible for planning, organizing, controlling, and staffing the management and operation of the Freestanding Restaurants and such other duties as you may prescribe. If your Area Director has not already completed Manager Training to our satisfaction, your Area Director must attend and complete Manager Training to our satisfaction before beginning his or her Area Director duties. (Franchise Agreement, Section 13.2).

We may certify the Freestanding Restaurant as a Certified Training Restaurant. To become a Certified Training Restaurant, the Freestanding Restaurant must meet the same criteria as our Company-owned training Restaurants. Once certified, your Certified Training Restaurant may train your Managers, thus reducing your costs and expenses related to training new management personnel. We may revoke the status of the Freestanding Restaurant as a Certified Training Restaurant if we determine that the Freestanding Restaurant's operations are inconsistent with the requirements of a Certified Training Restaurant. (Franchise Agreement, Section 13.2).

Additional Training

We may develop additional training that we believe would benefit the System. We refer to this training as "Additional Training." If we develop Additional Training, we may designate the training as "optional" or "mandatory." If we designate Additional Training as mandatory, you and those of your Principals, Managers, and other personnel we specify must attend and complete the training to our satisfaction, at the times we specify. We reserve the right to charge a reasonable fee for Additional Training; however, the fee will not exceed our costs of developing and conducting the Additional Training, including our costs related to attending the training. The fee for Additional Training is not included in the Initial Training Fee, and will be in addition to the amount of the Initial Training Fee. (Franchise Agreement, Section 13.4)

For planning purposes, you should assume that our costs for Additional Training will range from $25 to $500. However, they will depend on several factors, like the place where we conduct the Additional Training (e.g., at our headquarters, at a Champs Chicken Restaurant near the Freestanding Restaurant, or at a central location), and whether we must engage a specialist to provide it. As a result, our costs could be higher. We have not yet developed any Additional Training, so we cannot predict with any degree of accuracy where we would conduct it or its content. We do not expect to conduct it more often than once a year; however, if the demands of the market or other factors require us to conduct it more often, we may do so. (Franchise Agreement, Section 13.4)

During the operation of your Freestanding Restaurant, we will:

1. List your Freestanding Restaurant on any Internet site we maintain that lists franchised or Company-owned Champ Chicken Restaurants operating under the System to the same extent as we list other Restaurants generally.

2. Permit you to develop an Internet site. See "Internet Advertising," below in this Item 11.

3. Permit you to develop a site on Facebook and similar social network services collectively, the "Social Media Sites"). See "Internet Advertising," below in this Item 11.

4. Grant you access to advertising and promotional programs and material we or our designated advertising agency may develop for the System.

5. Allow your additional or replacement Managers to attend Manager Training. See Item 6 of this Disclosure Document; see also "Training," below in this Item 11.

6. Provide you with any additional training that we believe would benefit the System. See Item 6 of this Disclosure Document; see also "Training," below in this Item 11.

7. Defend the Marks and bear all costs of this defense. See Item 13 of this Disclosure Document.

8. Provide you with access to the products and services we may offer. See Item 8 of this Disclosure Document.

9. Evaluate suppliers you propose to use and the products, equipment, services, supplies, or merchandise they offer. See Item 8 of this Disclosure Document.

Operations Manual

We loan you during the term of the Franchise Agreement one copy of an Operations Manual, which may consist of one or more handbooks or manuals and other written, video or audio materials (collectively the "Operations Manual"). The Operations Manual contains mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Freestanding Restaurant and information relative to your other obligations. We have the right to modify the Operations Manual to reflect changes in products, services, specifications, standards and operating procedures, including marketing techniques. No addition or modification may alter your fundamental status and rights. You must keep one copy of the Operations Manual current and the master copy of the Operations Manual we maintain at our principal office controls if there is a dispute relative to the contents of the Operations Manual (Franchise Agreement, Section 12). The Operations Manual contains a total of 216 pages as of the date of this Disclosure Document. Exhibit F to this Franchise Disclosure Document is the table of contents of the Operations Manual.

Advertising Programs

Grand Opening Advertising Requirement

You must spend at least $7,500, as we prescribe, on a program of advertising promoting the grand opening of the Freestanding Restaurant. We refer to this requirement as the "Grand Opening Advertising Requirement." You must spend this amount during the period beginning 30 days before your Opening Date and ending 60 days after the Opening Date. (Franchise Agreement, Section 9.1)

Local Advertising Requirement

You must spend at least three percent (3%) of your Gross Sales of the Freestanding Restaurant on a program of local advertising and promotion using the Marks in the Territory or in areas adjoining it (the "Local Advertising Requirement"). Such Local Advertising Requirement shall be prorated, on a straight-line basis, for each period at the beginning and end of the Term that is not a part of a whole calendar quarter. Expenditures on civic and charitable programs will be considered "local advertising and promotion", provided such programs display the Marks prominently or make material reference to the Freestanding Restaurant. You may deduct good-faith rebates you receive from advertising or promotional activities from the amount of the Local Advertising Requirement. You may apply funds spent through the MDF Program to your Local Advertising Requirement.

Company-Owned Restaurants will spend the same amounts for local advertising and promotion as franchised restaurants are required to spend. (Franchise Agreement, Section 9.2)

Regional Advertising Fee

We may determine that all Restaurants in a given market should participate in a market-wide cooperative advertising arrangement (a "Regional Advertising Cooperative"). We will define such market area by one or more whole or partial cities, counties, Nielsen Designated Market Areas, or otherwise. If we determine that you must participate in a Regional Advertising Cooperative, we will notify you, in writing. At that time, your participation in the Regional Advertising Cooperative will be mandatory. (Franchise Agreement, Section 9.3)

We will specify the percentage of your Gross Sales that you must contribute to the Regional Advertising Cooperative (the "Regional Advertising Fee"); provided, however, such Regional Advertising Fee will not exceed two percent (2%) of your Gross Sales. You may reduce the percentage that you are required to spend to satisfy the Local Advertising Requirement by the percentage you contribute to the Regional Advertising Cooperative. (Franchise Agreement, Section 9.3.1)

Company-Owned Restaurants in an area where we establish a Regional Advertising Cooperative will pay the same Regional Advertising Fee percentage as similarly-situated franchised Restaurants in such area are required to pay. (Franchise Agreement, Section 9.3.2)

We will have sole discretion over the application and disbursement of sums the Regional Advertising Cooperative collects, and the administration of the Regional Advertising Cooperative, all of which we may modify from time to time. (Franchise Agreement, Section 9.3.3)

You acknowledge and agree that: (i) the Regional Advertising Cooperative is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System in the area covered by the Regional Advertising Cooperative; and (ii) we have no obligation in administering the Regional Advertising Cooperative to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee or geographic region in the Regional Advertising Cooperative benefits directly or pro rata from Regional Advertising Cooperative advertising or promotional activities. (Franchise Agreement, Section 9.3.4)

If we grant voting power to Restaurants in the Regional Advertising Cooperative, Company-Owned Restaurants: (i) will have the same voting rights as franchisee-owned restaurants; and (ii) subject to subparagraph (i), will not have controlling voting power over fees that the Regional Advertising Cooperative imposes. (Franchise Agreement, Section 9.3.5)

We may prepare written governing documents for the Regional Advertising Cooperative. If we prepare such written governing documents, we will provide you with a copy upon your written request. (Franchise Agreement, Section 9.3.6)

We will prepare an accounting of the books of the Regional Advertising Cooperative each year. We will provide you with a copy of such accounting upon your written request. (Franchise Agreement, Section 9.3.7)

We reserve the right to dissolve the Regional Advertising Cooperative at any time. No such dissolution will be effective until all monies in the Regional Advertising Cooperative have been spent for advertising or promotional purposes or returned to their contributors in proportion to their contributions. (Franchise Agreement, Section 9.3.8)

We reserve the right to change the area covered by the Regional Advertising Cooperative, or to merge such Regional Advertising Cooperative with other cooperatives. (Franchise Agreement, Section 9.3.9)

We may use Regional Advertising Cooperative contributions to meet any and all costs and expenses we may incur arising out of or related to ours administration of the Regional Advertising Cooperative and the preparing, implementing, placing, and maintaining of Regional Advertising Cooperative advertising and promotions. (Franchise Agreement, Section 9.3.10)

Access to Advertising.

We will grant you access to advertising and promotional programs and material we or our designated advertising agency may develop for the System. You will receive, at no additional charge, access to all advertising and promotional programs and materials produced for the System for radio, television, or print media, including ad slicks, circulars, direct mail pieces, broad sheets, newsletters, and brochures. You will pay the hard costs associated with such programs and materials, such as the cost of purchasing media, film, plates, paper, and other hard costs; any shipping and handling charges for delivering such items to you; and all costs of having such materials published in the media. You will pay all costs of customizing such programs and materials. (Franchise Agreement, Section 9.4)

Control of Advertising.

You will use only advertising and promotional materials that we have provided to you or that we have approved in writing in advance. (Franchise Agreement, Section 9.5)

If you desire to use advertising and promotional materials that we have provided to you, you must submit to us a description of the media in which you propose to use them for our approval prior to such use. We will have 21 days in which to approve or disapprove the use of such materials in the media we propose. If we have not disapproved, in writing, the use of such materials in the media you propose by the end of 21 days after we receive the descriptions from you, such use will be deemed approved. (Franchise Agreement, Section 9.5.1)

If you desire to use advertising and promotional materials that we have not provided to you, you must submit such advertising and promotional materials, together with a description of the media in which you propose to use them, to us for our approval prior to such use. We will have 21 days in which to approve or disapprove such materials and their use in the media you propose. If we have not disapproved, in writing, the use of such materials in the media Franchisee proposes by the end of 21 days after we receive the descriptions from you, they will be deemed approved. (Franchise Agreement, Section 9.5.2)

You will not: (i) issue any press release or similar promotion related to the Restaurant, the Freestanding Restaurant, or the System unless we expressly approve such press release or promotion in writing in advance; (ii) conduct any advertising or promotional activities that fall outside our guidelines; or (iii) advertise the Freestanding Restaurant with any business that is not operated under the Franchise Agreement or some other Champs Chicken franchise agreement, without our prior written consent. (Franchise Agreement, Section 9.5.3)

You acknowledge and agree that all advertising materials we prepare or provide are protected by copyright and are our sole and exclusive property. (Franchise Agreement, Section 9.5.4)

VIP Programs

We may establish VIP guest programs, frequent-guest programs, gift card programs, coupon programs, and other promotional activities and programs (collectively, the "VIP Programs"). If we develop such VIP Programs, you must participate in such VIP Programs as we may direct. (Franchise Agreement, Section 9.6.1)

In connection with such VIP Programs: (i) you acknowledge and agree that we may modify all or any part of any VIP Program to adapt to changes in technology, the marketplace, economic conditions, business conditions, the hospitality profession, federal, state and local law, the demands of consumers, our business needs, the needs of the System, and otherwise; (ii) You acknowledge and agree that such modifications may include additions to, deletions from, and modifications to the VIP Programs; and modifications to any or all of the rules, guidelines, standards, specifications, plans, programs, and procedures related to the VIP Programs; (iii) you acknowledge and agree that you expect us to change the VIP Programs; (iv) you covenant, warrant, represent, and agree that you will comply with all rules, guidelines, standards, specifications, plans, programs, and procedures related to the VIP Programs as we add to, delete from, and modify any or all of them from time to time; and (v) we acknowledge and agree that such additions, deletions, and modifications will not materially and unreasonably increase your obligations or decrease your rights set forth in the Franchise Agreement. (Franchise Agreement, Section 9.6.2)

Franchisee acknowledges and agrees that: (i) the VIP Programs will be deemed to be a part of the System for all purposes; (ii) Franchisee will pay any and all costs and expenses arising out of or related to its participation in such VIP Programs; and (iii) Franchisee will comply with all Laws related to the VIP Programs, including without limitation the Fair Credit Reporting Act, and laws governing privacy, consumer information, escheatment, and unclaimed property. (Franchise Agreement, Section 9.6.3)

Internet Advertising

We will list the Freestanding Restaurant on any Internet site we maintain that lists franchised or Company-owned Restaurants operating under the System to the same extent as we list these other Restaurants generally. (Franchise Agreement, Section 9.7.1)

You may create an Internet site (your "Internet Site") for the Freestanding Restaurant. Your Internet Site must hyperlink off one or more Internet sites that we designate. You must use and publish all templates and forms we direct you to use and publish in connection with the Internet Site. You must submit to us all text, graphics, photographs, and other material (collectively, the "Internet Content") you propose to use on your Internet Site, including all material modifications to the Internet Content, before you use it. We have the right to: (i) approve, disapprove, and modify the Internet Content; (ii) format, upload, or hyperlink your Internet Site to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit the Internet Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit the Internet Content. (Franchise Agreement, Section 9.7.2)

Social Media Advertising

You may establish sites on Facebook and other social media and social network services. We refer to your sites on these media and services as your "Social Media Sites." We have the right to: (i) disapprove or to require you to modify the text, graphics, photographs, and other material (collectively, the "Social Media Content") on any Social Media Site; (ii) hyperlink your Social Media Sites to any other Internet site related to the System that we designate; and (iii) modify, use, print, publish, display, store, and transmit any of the Social Media Content, and to authorize third parties to modify, use, print, publish, display, store, and transmit any of the Social Media Content, subject to the requirements of the social network service that hosts the applicable Social Media Site. You must keep us advised at all times of your Social Media Sites' addresses and domain names. (Franchise Agreement, Section 9.7.3)

We have the sole ownership, right, title, and interest in and to the Social Media Content of all Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site. (Franchise Agreement, Section 9.7.3.1)

We have the sole ownership, right, title, and interest in and to all domain names related to the Social Media Sites, subject to the requirements of the social network service that hosts the applicable Social Media Site. (Franchise Agreement, Section 9.7.3.2)

The Social Media Content on each Social Media Site must meet the standards of propriety that we prescribe. Your Social Media Sites and Social Media Content must comply with our rules, guidelines, standards, specifications, plans, programs, and procedures. You must monitor the Social Media Content on each Social Media Site. You must remove any inappropriate Social Media Content so that the removal is fully completed immediately on our demand, or within 12 hours after the inappropriate Social Media Content is posted on the Social Media Site, whichever is earlier. (Franchise Agreement, Section 9.7.3.3)

Advertising Council

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

<u>Percentage of Advertising Funds Use Principally to Solicit New Franchise Sales</u>

We do not collect any advertising funds from our franchisees. We do not use any advertising funds principally to solicit new franchise sales.

<u>Electronic Cash Register System; Computer System</u>

You must buy and use the electronic cash register system and computer system that meets our requirements. (Franchise Agreement, Section 14.7).

You will use your electronic cash register system: (i) to record your sales transactions; (ii) to track product mix and sales performance; (iii) to assist in purchasing and inventory control; (iv) for accounting and bookkeeping; and (v) for other functions we may specify. (Franchise Agreement, Section 14.7).

You will use your computer system: (i) for interactive training; (ii) for purchasing and inventory control; (iii) for accounting and bookkeeping; (iv) for scheduling; (v) for Internet communication and email; and (vi) for other functions we may specify. (Franchise Agreement, Section 14.7).

Your electronic cash register system and computer system will consist of a point of sale system (a "POS") and a back office system (a "BOS"). We do not currently require you to use any specific POS or BOS. Your POS system must comply with the Payment Applications Best Practices ("PABP") standards or the successor standards to the PABP. You must connect it to the Internet using an always-on access method, like a T-1 line, cable, or DSL. Our specifications may change, and you must upgrade to equipment that meets our specifications as we direct. You should ask us for a list of our current specifications before you sign the Franchise Agreement. The current purchase price of POS and BOS systems that meet our specifications ranges from $15,000 and $40,000. (No specific reference in Franchise Agreement).

You must enter, generate, and store in your electronic cash register system and computer system the data and information we prescribe. This data and information will include: (i) sales records; (ii) product mix and sales performance data; (iii) inventory records; (iv) accounting and bookkeeping records; (v) training materials; (vi) schedules; (vii) Internet communications; and (viii) other data and information we specify. (Franchise Agreement, Section 14.7).

Neither we nor any affiliate of ours has any obligation to provide ongoing maintenance, repairs, upgrades, updates to your hardware or software. We do not currently require you to enter into agreements with third parties to provide ongoing maintenance, repairs, upgrades, or updates to your hardware or software, although we may do so in the future. (Franchise Agreement, Section 14.7).

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

If you elect, at your option, to enter into maintenance, updating, upgrading, or support contracts, or if we require you to enter into these contracts, your costs should range from $0 to $5,000 per year. Your actual costs will vary depending on the price and quality of the components of your systems, the level of deductibles you select, and other factors.

If we substitute one or more software programs for any software we specify, you must, by the end of 30 days after we give you notice to do so, at your sole cost and expense: (i) stop all use of the software being replaced; (ii) preserve all data from the software being replaced; (iii) obtain and install the substitute software on your computer as we may direct; (iv) import, to the substitute software, relevant data from the software being replaced; and (v) begin using the substitute software. (Franchise Agreement, Section 14.7).

We have the free, independent, and unfettered right to access and retrieve all data and information that is generated by, or that is stored in, your electronic cash register system and computer system. There is no contractual limit on our right to obtain this data and information. We will have the right to retrieve this data and information remotely or in-person. You must, immediately on our request, provide us with all assistance we may request to obtain this access. The computer and electronic cash register hardware and software you obtain and install must permit us to obtain sales and other information from your computer and electronic cash register systems as we require, automatically on our request. (Franchise Agreement, Section 14.7).

Renovations

"Renovation" refers to the periodic large-scale refurbishment and remodeling of the Freestanding Restaurant. It includes the replacement of worn, obsolete, or non-functioning furniture, fixtures, equipment, décor, and signage. (Franchise Agreement, Section 1.13).

It is in your best interests, and in the best interests of our other franchisees and the System, that each Champs Chicken Restaurant, including the Freestanding Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, you must, at our request, Renovate the Freestanding Restaurant to conform to: (i) our then-current specifications for Champs Chicken Restaurants; and (ii) our judgment as to the condition, state of repair, functionality, and general appearance of the Freestanding Restaurant and its furnishings, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that we consider desirable. This Renovation will be at your sole cost and expense. Our right to require you to Renovate does not affect our right to require you to maintain the Freestanding Restaurant in compliance with the Franchise Agreement, our Operations Manual, and our standards and specifications, or your obligation to do so. (Franchise Agreement, Section 7.4).

We will not require you to Renovate the Freestanding Restaurant more often than one time every seven (7) years. (Franchise Agreement, Section 7.4).

You must submit to us a complete set of plans, specifications, and equipment lists that you propose to use to make the Renovations (the "Proposed Renovation Plans") before you begin any Renovation of the Freestanding Restaurant. We will review the Proposed Renovation Plans promptly and will approve them or will provide you with comments regarding them by the end of 30 days after we receive them from you. You may not begin Renovation of the Freestanding Restaurant until we have approved the Proposed Renovation Plans in writing. We refer to the Proposed Renovation Plans, after our approval, as the "Approved Renovation Plans." (Franchise Agreement, Section 7.4).

You must finish all Renovations so that they are completed by the end of six months after we deliver notice to you that we are requiring you to make the Renovations. (Franchise Agreement, Section 7.4).

Test Marketing

We may conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise. We refer to these items, collectively, as the "Test Products." You must assist us with this market research and testing by participating in any programs as we may require. This assistance may include: (i) test-marketing Test Products through the Freestanding Restaurant as we may direct; (ii) providing us with timely reports and other relevant information we may request regarding this test-marketing; and (iii) effectively promoting and making reasonable efforts to sell the Test Products. You are responsible for all costs and expenses related to the test marketing. (Franchise Agreement, Section 13.10).

There is no limit on the amount of test marketing in which we may require you to participate. (No specific reference in Franchise Agreement).

Opening Assistance

After at least one Principal has successfully completed Principal Training and one Manager has successfully completed Manager Training, we will furnish a representative to the Freestanding Restaurant for a period of at least two days. We refer to this person as the "Opening Coordinator." The Opening Coordinator will provide you with opening assistance. The opening assistance may include assisting you with: (i) implementing internal controls; (ii) hiring employees; (iii) training employees; (iv) purchasing products, equipment, services, supplies, and merchandise; (v) following accounting procedures; (vi) implementing the System; (vii) evaluating your initial business operations and marketing plans; and (viii) other matters. Our fee for the Opening Coordinator, including the Opening Coordinator's travel, food, lodging, and other costs and expenses, is included in the Initial Training Fee. (Franchise Agreement, Section 13.3).

If the Freestanding Restaurant is your first Restaurant under the System, we will furnish you with an opening training team. We refer to this team as the "Opening Training Team." The Opening

Training Team will work at your initial Restaurant immediately before and after the opening of the Freestanding Restaurant, for a period of at least three days. If the Freestanding Restaurant is your second or subsequent Restaurant under the System, we may provide you with limited training team assistance, and your other Restaurants will supply a portion of the training assistance. We will determine the actual size of the Opening Training Team. We will base this determination on: (i) the size of the Freestanding Restaurant; (ii) the location of the Freestanding Restaurant; (iii) your experience as a restaurant operator; (iv) the number of other Restaurants you operate under the System; (v) the number of restaurants you operate under other systems we or our affiliates may develop; and (vi) other factors. We will be responsible for making all travel, food, and lodging arrangements of the Opening Training Team members. Our fee for the Opening Training Team, including the Opening Training Team's travel, food, lodging, wage, benefit, and other costs and expenses, is included in the Initial Training Fee. (Franchise Agreement, Section 13.3).

You must staff the Freestanding Restaurant with your employees to train with, and to assist, the Opening Training Team. If you do not staff the Freestanding Restaurant with the employees we require, we may staff the Freestanding Restaurant with our employees and independent contractors. The travel, food, lodging, wage, benefit, and other costs and expenses we incur because you did not provide the employees we require are not included in the Initial Training Fee, and will be in addition to the amount of the Initial Training Fee. You must reimburse us for these costs and expenses so that we actually receive the reimbursement within 10 days of our request for payment (Franchise Agreement, Section 13.3).

Conventions

We may conduct an annual conference or convention. We refer to this conference or convention as a "Convention." We may charge a reasonable fee for staging the Convention; however, the fee will not exceed our costs of developing and conducting the Convention, including our costs related to attending the Convention. You are required to send at least one employee, preferably your Principal or Manager, from each Freestanding Restaurant. (Franchise Agreement, Section 13.5).
For planning purposes, you should assume that the fee for a Convention will range from $125 to $2,000. However, it will depend on several factors, like the place where we stage the Convention (e.g., locally or at some popular convention destination), its duration, and whether we engage lecturers to present relevant material. As a result, the fee could be higher. We have not yet staged a Convention, so we cannot predict with any degree of accuracy where we would stage it or its content. We do not expect to stage more than one Convention a year; however, if the demands of the market or other factors require us to stage more than one Convention in a year, we may do so. We may also require you to attend an annual GRITT Summit and Franchise Advisory Meeting, provided through Pro Food Systems, and which may be held with franchisees of our affiliated companies. We or Pro Food Systems may charge a reasonable fee for registering for the GRITT Summit or Franchise Advisory Meeting. You are required to send your Principal or Manager, from each Freestanding Restaurant, to the GRITT Summit and Franchise Advisory Meeting. Currently, the GRITT Summit and Franchise Advisory Meeting are held simultaneously; however, this arrangement is subject to change, in our discretion.

ITEM 12.

TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one (1) Champs Chicken Freestanding Restaurant within a territory (the "Territory"). You will develop and operate the Freestanding Restaurant at the Approved Location only, the location of which will be shown on the Franchise Summary page of the Franchise Agreement or at the location we approve.

The Territory is located in all or a portion of a listed town, city, or county, and is identified using a radius surrounding the Approved Location. The Territory is determined by us on an individual basis, taking into account minimum numbers of households, average home prices and household incomes, competition and other factors that we deem pertinent and may be further defined by political boundaries, zip codes, and/or natural boundaries. Your Territory will be defined and attached to the Franchise Agreement in Schedule A. If you have not identified the Approved Location at the time you sign the Franchise Agreement, Schedule A will be updated to identify your Territory once you have identified and we have approved the Approved Location.

Scope of Territorial Rights

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

We reserve the right to develop, open, and operate, and we may authorize others to develop, open, and operate, restaurants using the System: (i) in grocery stores, convenience stores, and other business-within-a-business and similar locations ("BWB Location"); and (ii) in airports, train stations or terminals, bus stations or terminals, shopping center food courts, colleges, universities, sports arenas, stadiums, entertainment centers, government-owned and government-leased facilities including without limitation military bases, and similar venues (each such location, including BWB Locations, being referred to in the Franchise Agreement as a "Nontraditional Location"), even if such restaurant in the Nontraditional Location is within Franchisee's Territory.

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

You may not offer for sale, sell, or deliver the Products and Services, or any products or services similar to the Products and Services, through any alternative distribution channel without written permission from us.

Continuation of Territorial Rights; Modification of Territorial Rights

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

Relocation of Restaurant

You will not relocate the Restaurant without ours prior written consent. To obtain our consent, you must: (i) comply with the procedures set forth in Item 11 of this disclosure document for a Proposed Site, and with such other criteria as we may establish; (ii) close your old Restaurant and open your relocated Restaurant substantially simultaneously so that there is no break in operations; and (iii) enter into our then-current form of relocation agreement. The relocation agreement will show the terms of the relocation.

Any relocation of the Freestanding Agreement will be at your sole cost and expense. You must reimburse us for any costs or expenses we incur related to any relocation, like costs and expenses we incur in evaluating your replacement site, and costs and expenses we incur in connection with the relocation agreement.

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

You may want to develop additional Freestanding Restaurants in additional territories. If you do, you and we may enter into our Option Addendum. Our Option Addendum is attached to the Franchise Agreement as Schedule C. Under the Option Addendum, you will have the right to develop additional Freestanding Restaurants under the Franchise Agreement, all within a specified period of time and geographic area (the "Option Territory") shown in the Option Addendum. We do not require you to enter into the Option Addendum with us, and we are not required to enter into the Option Addendum with you. Entry into the Option Addendum is purely voluntary on your part and ours.

We must agree on the size and location of the Option Territory before you sign the Option Addendum. The size and location will depend on: (i) the number of additional Champs Chicken Restaurants you and we agree that you may develop; (ii) your skill and experience as a business operator; (iii) your financial resources; (iv) your proximity to the Option Territory; (v) the presence of other Champs Chicken Restaurants in the area; (vi) the presence of other competitors in the area; (vii) the demographics of the area; and (viii) other factors.

Rights of First Refusal; Similar Rights

Except for the option to open additional Freestanding Restaurants under the Option Addendum, you do not have any options, rights of first refusal, or similar rights to acquire additional franchises or develop additional Restaurants.

ITEM 13.

TRADEMARKS

We grant you the right to operate your Champs Chicken Franchise under the trademark Champs Chicken and any other current trademarks, trade names, service marks and/or logos we designate for use in a Champs Chicken Franchise the "Marks").

The Marks are owned by our parent, Pro Food Systems. Pro Food Systems has granted us the right to use the Marks and sublicense the use of the Marks to franchisees according to a License Agreement dated September 15, 2013. See paragraph below under the heading "Trademark License Agreement").

The following table sets forth the status of Federal registrations with the United States Patent and Trademark Office (the "PTO") on the Principal Register of those marks licensed to you:

Mark	Registration Date	Registration Number
CHAMPS CHICKEN (Stylized with Design)	05/15/2012	4141697
CHAMPS CHICKEN (Stylized with Design)	09/09/2014	4600485
	09/09/2014	4600486
	09/09/2014	4600488
Miscellaneous Design (New "Champ" head)(Class 43),	04/20/2021	6329729
Miscellaneous Design (New "Champ" head) (Class 30)	04/12/2021	6323314
Miscellaneous Design (New "Champ" head) (Class 29)	04/13/2021	6323315
Miscellaneous Design (New "Champ" head) (Class 30)	04/13/2021	6323316
Miscellaneous Design (New "Champ" head) (Class 30)	04/13/2021	6323317

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

Legal Proceedings

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, that limit your right to use any Mark.

There is no pending infringement, opposition, or cancellation proceeding involving any Mark. Neither Pro Food Systems nor we have unsuccessfully sought to prevent registration of a trademark in order to protect a trademark we license.

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

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

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

The Trademark License Agreement is dated September 15, 2013. It has a 20-year initial term. Unless we are in uncured material breach of the Trademark License Agreement, it will automatically renew for successive terms of 10 years each, unless the parties elect not to renew it. Pro Food Systems may terminate the Trademark License Agreement if we are in material breach and the breach is not cured within 30 days. The Trademark License Agreement may be canceled or modified at any time on the written consent of both parties. We do not intend to cancel the Trademark License Agreement, and Pro Food Systems has not indicated any desire to do so. If Pro Food Systems terminates the Trademark License Agreement, or if Pro Food Systems and we mutually agree to cancel the Trademark License Agreement, you may continue to use the Marks during the term of your Franchise Agreement.

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

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

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

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

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

Modifications to Marks; Discontinuance; Signage Reimbursement

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

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

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

Prior Rights; Infringing Uses

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

ITEM 14.

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

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

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

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

There are no agreements that limit our right to use or license you to use any of our copyrighted material in any manner material to the Freestanding Restaurant.

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

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

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

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

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

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

ITEM 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Obligations

We do not require you to personally supervise the operation of your Restaurant. However, at least one individual (usually the general manager) working full time at your Champs Chicken must attend and successfully complete the training programs developed and designated by Champs Chicken from time to time. If the trained individual ceases to work full time at your Champs Chicken, you will have 120 days to replace the individual with someone who has attended and successfully completed the designated training program. Until such time of replacement, you are responsible for personally supervising the operation of your restaurant.

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

If you are a business entity, through your Managers, you must participate personally in the direct operation of the Freestanding Restaurant, and you must exercise on-premises supervision of the Freestanding Restaurant. We recommend, but do not require, that your Principals be Managers and that they exercise on-premises supervision of the Freestanding Restaurant.

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

Your Manager

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

Each Manager you employ must successfully complete our Manager Training, together with any other mandatory training we may require.

Each Manager must: (i) devote his or her full time and best efforts to the management and growth of the Freestanding Restaurant; (ii) have day-to-day management responsibility for the Freestanding Restaurant; and (iii) personally participate in the direct operation of the Freestanding Restaurant. You must have a Manager who has successfully completed our Manager Training physically present at the Freestanding Restaurant at all times the Freestanding Restaurant is open for business.

Your Managers and other Obligors must sign the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A. They must comply with the Individual Confidentiality Agreement.

Your Managers and other Covenanting Personnel must sign the Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A. They must comply with the Individual Covenant Not to Compete.

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

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

Your Principals

If you are a business entity, your Principals must sign the form of Personal Guaranty of Franchisee's Principals attached to the Franchise Agreement as Schedule D. Your Principals and other Obligors must sign the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A. Your Principals and other Covenanting Personnel must sign the Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A.

You Are an Independent Contractor

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

ITEM 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

You may sell only Products and Services that we have approved. You may not offer any food, beverage, merchandise, or miscellaneous items that we have not approved. You must sell all Products and Services that we designate. We may add to, delete from, and modify the list of Products and Services as we deem appropriate. There is no limitation on our right to do so.

Restrictions or Conditions that Limit Your Access to Guests

We impose three restrictions on you that limit your access to guests:

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

2. You may not offer or sell Products or Services through Alternative Distribution Channels.

3. You may not solicit business outside your Territory, except that you may: (i) advertise jointly with other franchisees under the System in your Territory and the territories of the other franchisees; (ii) list the Freestanding Restaurant on your Internet Site and Social Media Sites; and (iii) advertise via radio, television, and similar media that broadcast into areas outside your Territory, provided the radio stations, television stations, and similar media also broadcast inside your Territory.

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

ITEM 17.

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Franchise Summary of Franchise Agreement; Section 3.1 of Franchise Agreement	10 years.
b. Renewal or extension of the term	Section 3.2 of Franchise Agreement	You may enter into a Successor term for up to 2 additional 10-year terms.
c. Requirements for franchisee to renew or extend	Section 3.2 of Franchise Agreement	"Successor Agreement" means that you may continue to be a Champs Chicken franchisee under our then-current form of franchise agreement. Our then-current form of franchise agreement may contain provisions that differ materially from your original Franchise Agreement. To enter into a Successor Agreement, you must: (i) notify us of your intent to enter into a successor agreement; (ii) be in compliance with the Operations Manual and all agreements; (iii) have been in substantial compliance with the Operations Manual and all agreements during the Term; (iv) Renovate the Freestanding Restaurant; (v) enter into our then-current form of franchise agreement; (vi) execute a Release, Estoppel Covenant Not to Sue, and Indemnification in substantially the form attached to the Franchise Agreement as Schedule I; and (vii) pay a Successor Agreement Fee equal to Seven Thousand Five Hundred Dollars ($7,500).
d. Termination by franchisee	Section 20.1 of Franchise Agreement	You may terminate for cause, if we commit a material breach of any material provision of the Franchise Agreement and do not cure after notice and opportunity to cure.
e. Termination by franchisor without cause	Not applicable	Not applicable. We cannot terminate the Franchise Agreement without cause.

Provision	Section in Franchise or Other Agreement	Summary
f. Termination by franchisor with cause	Sections 20.3 and 20.4 of Franchise Agreement	We may terminate if you commit any one of several listed breaches.
g. "Cause" defined – curable defaults	Section 20.4 of Franchise Agreement	10 days to cure if: (i) you have not opened the Freestanding Restaurant by the end of the Opening Date, after any extensions of the Opening Date; (ii) if you fail to execute, or if you fail to cause all persons required to sign them to execute, the Personal Guaranty of Franchisee's Principals, Confidentiality Agreement, Individual Confidentiality Agreement, Covenant Not to Compete, or Individual Covenant Not to Compete; (iii) if you fail to submit any report, document, or data we require; (iv) if you fail to pay us or our affiliates any amounts you owe; (v) if you or any of your Principals fail to complete the training we prescribe, after we have afforded you re-training opportunities; (v) if your alcoholic beverage license is suspended or revoked; or (vii) if you commit any breach of the Franchise Agreement not specifically enumerated in Sections 20.3 or 20.4 of the Franchise Agreement.
h. "Cause" defined –non-curable defaults	Section 20.3 of Franchise Agreement	No opportunity to cure if you: (i) become insolvent; (ii) disclose our Confidential Information or Trade Secrets, or engage in a Competing Activity; (iii) misrepresented any material fact related to our decision to enter into the Franchise Agreement; (iv) knowingly maintain false books or records, conceal revenues, or submit any false reports; (v) understate your Gross Sales by 4% or more; (vi) deny us immediate access, on our demand, to your financial or accounting records, or if you fail to provide us with immediate and full assistance in the course of any inspection or audit; (vii) deny us immediate access to all premises of the Freestanding Restaurant, to evaluate your performance; (viii) receive 3 or more failing scores on any health or safety inspection we or any governmental authority conduct within any 12-

Provision	Section in Franchise or Other Agreement	Summary
		month period; (ix) misuse or misappropriate any Mark; (x) fail to comply with all applicable laws related to the Freestanding Restaurant; (xi) abandon the Franchise or Restaurant; (xii) commit fraud related to the Freestanding Restaurant; (xiii) are convicted of or plead no contest to a felony, fraud, or other serious crime; (xiv) have your existence as a business entity revoked; (xv) intentionally, willfully, or through gross negligence, breach any covenant, warranty, representation, agreement, or obligation in the Franchise Agreement or Operations Manual; or (xvi) commit 3 or more breaches within any 12 consecutive month period.
i. Franchisee's obligations on termination/ nonrenewal	Section 21 of Franchise Agreement	You must: (i) pay us all money you owe; (ii) cease all use of the System; (iii) cease to use any advertising materials; (iv) cease to hold yourself out as our franchisee; (v) return the Operations Manual; (vi) cancel all assumed name registrations; (vii) fulfill your obligations under the Telephone Listing Agreement and Internet Websites and Listings Agreement; (viii) comply fully with, and cause your personnel to comply with, the Personal Guaranty of Franchisee's Principals, Confidentiality Agreement, Individual Confidentiality Agreement, Covenant Not to Compete, and Individual Covenant Not to Compete; (ix) on our request, assign your lease to us (if you lease the Approved Location), or enter into a lease with us (if you own the Approved Location); (x) if we do not elect to take possession of the Approved Location, de-identify the Approved Location; (xi) allow us to purchase the assets of the Freestanding Restaurant; (xii) on our request, transfer your liquor licenses to us; and (xiii) pay us damages.

Provision	Section in Franchise or Other Agreement	Summary
j. Assignment of contract by franchisor	Section 18.1 of Franchise Agreement	We may assign any or all of our rights and may delegate any or all of our obligations. We are not required to obtain your consent to any assignment or delegation. After any assignment, you must deliver to the assignee performance of all rights that we assigned. After any delegation, you must look solely to the delegatee, and not to us, for the performance of all obligations that we delegated. We may also, without your consent, transfer the ownership in us, and may engage in a public offering of debt or equity.
k. "Transfer" by franchisee – defined	Section 18.3 of Franchise Agreement	"Transfer" means the sale, assignment, delegation, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation of any "Interest." An "Interest" is: (i) any direct, indirect, or beneficial you or any Principal has in you, the Freestanding Restaurant, any Operating Company, the Franchise Agreement, the Franchise, any Approved Location, any Restaurant, or substantially all of the assets of the Freestanding Restaurant; and (ii) you, the Freestanding Restaurant, any Operating Company, the Franchise Agreement, the Franchise, any Approved Location, or any Restaurant.
l. Franchisor approval of transfer by franchisee	Section 18.4 of Franchise Agreement	You may not Transfer any Interest without our prior written consent. We will not unreasonably withhold our consent.

Provision	Section in Franchise or Other Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 18.4 of Franchise Agreement	The conditions for Transfer are: (i) the transferee and its equity holders must meet our Principal Qualifications; (ii) you must satisfy all monetary and other obligations; (iii) at all times during the Term, you must have been in substantial compliance with all agreements and the Operations Manual; (iv) at the time of Transfer, you must be in compliance with all agreements; (v) you, Principals, transferor, and transferee must sign our then-current form of transfer agreement; (vi) if the Transfer is a Transfer of you, all or substantially all of your assets, any Restaurant, all or substantially all of the assets of any Restaurant, the Freestanding Restaurant, all or substantially all of the assets of the Freestanding Restaurant, or the Franchise, the transferee must enter into our then-current form of franchise agreement, which may contain provisions that differ materially from the provisions of your Franchise Agreement; (vii) the transferee must agree to Renovate the Freestanding Restaurant; (viii) the transferee and, if applicable, the transferee's Managers, must complete any training programs then in effect for new franchisees; (ix) the transferor or transferee must pay us a Transfer Fee of 50% of our then-current initial franchise fee; and (x) the transferee must, if the Approved Location is subject to a lease, agree to a sublease or a transfer of the lease, and must obtain the landlord's approval.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 18.7 of Franchise Agreement	If you determine at any time to Transfer any Interest, you must obtain a bona fide executed written offer and submit an exact copy of this offer to us. We will have 30 days to give written notice to you that we will purchase all the Interest for the price, minus any sales commission that would have been payable as a result of the proposed sale, and on substantially the terms and conditions, contained in the offer. If we do not exercise this right of first refusal, you may complete the Transfer of the Interest to the purchaser on the same terms as

Provision	Section in Franchise or Other Agreement	Summary
		offered to us, subject to the provisions of the Franchise Agreement governing Transfers.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable. We do not have an option to purchase the Freestanding Restaurant.
p. Death or disability of franchisee	Section 18.6 of Franchise Agreement	The person acquiring your interest must: (i) be capable of conducting the Freestanding Restaurant; (ii) sign the Personal Guaranty of Franchisee's Principals; (iii) sign the Individual Confidentiality Agreement; and (iv) sign the Individual Covenant Not to Compete.
q. Non-competition covenants during the term of the franchise	Section 15.2 of Franchise Agreement Covenant Not to Compete (Schedule F to Franchise Agreement) Individual Covenant Not to Compete (Exhibit A to Covenant Not to Compete)	You and your Covenanting Personnel may not, directly or indirectly: (i) own or operate any business that sells products or services that are similar to the Products and Services, except for 5% or less of the shares of any publicly-traded business engaged in the sale of products or services that are similar to the Products and Services; (ii) act as a principal in any of these businesses; or (iii) divert any business from the Freestanding Restaurant, the Freestanding Restaurant, the System, or other systems we or our affiliates may operate; and (iv) engage in any activity similar to any of the activities described above.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2 of Franchise Agreement Covenant Not to Compete (Schedule F to Franchise Agreement)	For 2 years after the termination or expiration of the Franchise Agreement, you and your Covenanting Personnel may not, within any of your Territories or former Territories: (i) own or operate any business that sells products or services that are similar to the Products and Services, except for 5% or less of the shares of any publicly-traded business engaged in the sale of products or services that are similar to

Provision	Section in Franchise or Other Agreement	Summary
	Individual Covenant Not to Compete (Exhibit A to Covenant Not to Compete)	the Products and Services; (ii) act as a principal in any of these businesses; or (iii) divert any business from the successor to your former Restaurant, any successor to your former Franchised Business, the System, or other systems we or our affiliates may operate; and (iv) engage in any activity similar to any of the activities described above.
s. Modification of the agreement	Sections 2.3, 12.3, and 24.5 of Franchise Agreement	No modification without your and our written agreement, but we may change the Operations Manual and modify the System without your consent.
t. Integration/ merger clause	Section 24.4 of Franchise Agreement	Only the terms of the Franchise Agreement, schedules, exhibits, and Franchise Disclosure Document are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement are not enforceable.
u. Dispute resolution by arbitration or mediation	Section 22.6 of Franchise Agreement	All disputes must be resolved exclusively by litigation, subject to state law.
v. Choice of forum	Section 22.6 of Franchise Agreement	All litigation must take place in a federal or state court having jurisdiction over the subject matter in the place where our principal business office is located, subject to state law.
w. Choice of law	Section 22.6 of Franchise Agreement	Delaware law applies, subject to state law.

Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in Exhibit C 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-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: 1) a franchisor provides the actual records of an existing outlet you are considering buying; or 2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

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

ITEM 20.

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years June 30, 2023 to June 30, 2025[1]

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	1	+1
Total Outlets	2023	0	0	0
	2024	0	0	0
	2025	0	0	0

[1] We offer franchises for Champs Chicken Business-within-a-Business Models under a separate disclosure document. As such, the tables in this Item 20 represent only Champs Chicken Freestanding Restaurants which are similar to the business you will be operating. As of our most recently concluded fiscal year, there were 397 franchised Champs Chicken Business-within-a-Business locations, and 0 corporate or affiliate-owned Champs Chicken Business-within-a-Business Models

Table No. 2

Transfers of Outlets from Franchisees to New Owners Other than the Franchisor) For years June 30, 2023 to June 30, 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3

Status of Franchised Outlets For years June 30, 2023 to June 30, 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
None	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets For years June 30, 2023 to June 30, 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Missouri	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	0	1
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	0	1

Table No. 5

Projected Openings
As of June 30, 2025
(for next fiscal year)

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Open	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets Next Fiscal Year
None	0	0	0
Total	0	0	0

Notes:

No franchisees have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year or who have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Attached to this Disclosure Document as Exhibit E is a listing of the names of all current franchisees and the address and telephone number of each of their Restaurants, although there are none as of the issuance date of this Disclosure Document.

No franchisees have signed confidentiality clauses during our last three fiscal years.

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

Currently, there are no franchisee associations.

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

ITEM 21.

FINANCIAL STATEMENTS

Exhibit D is our audited financial statements dated as of June 30, 2025, 2024, and 2023. Our fiscal year end is June 30.

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

ITEM 22.

CONTRACTS

The following agreements are attached to this Disclosure Document.

Champs Chicken Franchise Agreement	Exhibit A
Form of Release, Estoppel, Covenant Not to Sue, Indemnification	Exhibit G to Disclosure Document
Franchisee Acknowledgment Statement	Exhibit H to Disclosure Document
Disclosure Document Receipts	Exhibit I to Disclosure Document

ITEM 23.
RECEIPTS

Exhibit I contains detachable documents acknowledging your receipt of this Disclosure Document with all exhibits attached.

EXHIBIT A

CHAMPS CHICKEN FRANCHISING, LLC

CHAMPS CHICKEN FRANCHISE AGREEMENT

CHAMPS CHICKEN FRANCHISE AGREEMENT

BY AND BETWEEN

CHAMPS CHICKEN FRANCHISING, LLC

AND

____

LOCATION

FRANCHISE SUMMARY

DATES			
Date of Franchise Agreement	**Initial Term**	**Scheduled Restaurant Opening Date**	**Actual Restaurant Opening Date**
_________________, 20____	10 Years from Date of Franchise Agreement	One Year from Date of Franchise Agreement	_________________, 20____

FEES		
Initial Franchise Fee	$25,000 as set forth in Section 4.1 of Franchise Agreement.	
Royalty	3% of Franchisee's Gross Sales as set forth in Section 4.3 of Franchise Agreement.	
Grand Opening Advertising Requirement	$7,500 as set forth in Section 9.1 of Franchise Agreement.	
National Advertising Fee	None.	
Local Advertising Requirement	3% of Franchisee's Gross Sales as set forth in Section 9.2 of Franchise Agreement.	
Initial Training Fee	$12,500 to $25,000 as set forth in Section 13.1 of Franchise Agreement.	
If Franchisee Enters into Option Addendum	Option Deposit	$5,000 per Option as set forth in Option Addendum.
	Option Fee	$12,500 per Option as set forth in Option Addendum.

FRANCHISEE: ____

BUSINESS ENTITY: ◻ Limited Liability Company ◻ Limited Partnership ◻ Individual
◻ Corporation ◻ General Partnership ◻ Other

Formed under the laws of: ______________________________

FRANCHISEE'S PRINCIPAL BUSINESS ADDRESS AND CONTACT INFORMATION:

____
PRINCIPAL BUSINESS ADDRESS: STREET ADDRESS

____
TELEPHONE NUMBER FACSIMILE NUMBER

____
PRINCIPAL BUSINESS ADDRESS: STREET ADDRESS

____
CONTACT PERSON

____
PRINCIPAL BUSINESS ADDRESS: CITY, STATE, ZIP CODE

____
EMAIL

APPROVED LOCATION OF RESTAURANT:

STREET ADDRESS

TELEPHONE NUMBER FACSIMILE NUMBER

STREET ADDRESS

CITY, STATE, ZIP CODE

FRANCHISEE'S ATTORNEY OR ADVISOR INFORMATION:

NAME

FIRM OR COMPANY

STREET ADDRESS

TELEPHONE NUMBER FACSIMILE NUMBER

CITY, STATE, ZIP CODE

EMAIL

FRANCHISOR'S PRINCIPAL BUSINESS ADDRESS AND CONTACT INFORMATION:

P.O. Box 170
PRINCIPAL BUSINESS ADDRESS: STREET ADDRESS

(573) 896-2500 (573) 581-9188
TELEPHONE NUMBER FACSIMILE NUMBER

Holts Summit, Missouri 65043
PRINCIPAL BUSINESS ADDRESS: CITY, STATE, ZIP CODE

Shawn Burcham
CONTACT PERSON

sjb@pfsbrands.com
EMAIL

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CHAMPS CHICKEN FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on the date set forth in the Franchise Summary of this Agreement (the "Effective Date"), by and between Champs Chicken Franchising, LLC, a Delaware limited liability company ("Champs Chicken"), and _________________________________, a _____________ ______________________ ("Franchisee").

RECITALS

A. Champs Chicken owns the right to use, and to franchise others to use, the trademark "Champs Chicken" and trademarks, trade names, service marks, logotypes, trade dress, and other commercial symbols related to the trademark "Champs Chicken" (collectively, the "Marks").

B. Champs Chicken has acquired and has further developed, through the exercise and expenditure of substantial effort, expertise, knowledge, money, time, and other valuable resources, a unique concept and system for the development, opening, and operation of restaurants that offer for sale and sell a line of food, beverages, merchandise, and miscellaneous items Champs Chicken designates (collectively, the "Products and Services"), using Champs Chicken's designs, business formats, training, expertise, know-how, confidential information, and trade secrets; Champs Chicken's recipes; Champs Chicken's rules, guidelines, standards, specifications, plans, programs, and procedures; and Champs Chicken's advertising and promotional materials (all of which, together with the Marks, are referred to collectively in this Agreement as the "System"), which System is designed to appeal to members of the consuming public and to cause them to associate the System with the highest standards in the restaurant industry, and all of which System is subject to change, improvement, and further development from time to time.

C. Franchisee is a skilled and experienced business professional. Franchisee has applied to Champs Chicken for a franchise to use the System, and Champs Chicken desires to grant Franchisee a franchise to use the System, all as set forth in this Agreement.

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

1. **DEFINITIONS**

1.1 Accounting Period. "Accounting Period" shall mean a four (4) week, monthly, or other accounting period that Champs Chicken may specify.

1.2 Approved Location. "Approved Location" shall mean the location Champs Chicken approves for the development, opening, and operation of Franchisee's Restaurant (as defined in Section 2.1 of this Agreement).

1.3 Branded Products. "Branded Products" shall mean the Champs Chicken branded products that (i) Champs Chicken specifies and (ii) Franchisee purchases from Champs Chicken or its affiliates. Champs Chicken will list the Branded Products in the Operations Manual or otherwise in writing. Champs Chicken will have the right to add to, delete from and modify the items that are included within the scope of "Branded Products" from time to time.

1.4 Company-Owned. "Company-Owned" shall mean, in the context of a Champs Chicken restaurant, a Champs Chicken restaurant owned and operated by Champs Chicken or an affiliate of Champs Chicken.

1.5 Confidential Information. "Confidential Information" shall have the meaning ascribed to it in Section 1 of the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D.

1.6 Covenanting Personnel. "Covenanting Personnel" shall mean, collectively: (i) Franchisee's Principals; (ii) Franchisee's Managers; (iii) Franchisee's other management personnel; (iv) all personnel Franchisee employs or otherwise engages who have received or will receive Principal Training, Manager Training, or similar training in the System; (v) Franchisee's directors and officers; and (vi) other personnel Champs Chicken specifies.

1.7 Gross Sales. "Gross Sales" shall have the meaning ascribed to it in Section 4.2 of this Agreement.

1.8 Laws. "Laws" shall mean, collectively, all applicable federal, state, and local constitutions, statutes, regulations, rules, ordinances, case law, and similar enactments, promulgations, or rulings of a governmental authority with competent jurisdiction over the Restaurant, the Franchised Business (as defined in Section 2.1 of this Agreement), or the party against which enforcement is sought.

1.9 Managers. "Managers" shall mean, collectively, the Restaurant's general manager, assistant general managers, and other individuals who manage the overall operation of the Restaurant or aspects of such operation.

1.10 MDF. "MDF" shall mean "marketing development fund" as set forth in Section 9.8 of this Agreement.

1.11 Obligors. "Obligors" shall mean, collectively: (i) Franchisee's Principals; (ii) Franchisee's Managers; (iii) Franchisee's other management personnel; (iv) all personnel Franchisee employs or otherwise engages who have received or will receive Principal Training, Manager Training, or similar training in the System; (v) Franchisee's directors and officers; (vi) any other personnel, agents, or representatives having access to any of Champs Chicken's Confidential Information or Trade Secrets; and (vii) other personnel Champs Chicken specifies.

1.12 Operating Company. "Operating Company" shall mean an affiliate of Franchisee that Franchisee forms to operate a specific restaurant, to assist Franchisee to: (i) obtain additional investors; (ii) more effectively structure and manage its business operations; and (iii) more effectively manage risk.

1.13 Operating Rights. "Operating Rights" shall mean the right and obligation to operate a specific restaurant under, and in compliance with, this Agreement and Champs Chicken's then-current form of Consent to Transfer of Operating Rights, which right and obligation Franchisee assigns to an Operating Company in compliance with Section 18.5 of this Agreement.

1.14 Principal. "Principal" of Franchisee shall mean: (i) a natural person who owns or holds any equity of Franchisee; (ii) a business entity that owns or holds any equity of Franchisee; (iii) any natural person who owns or holds any equity of any business entity that owns or holds any equity of Franchisee; and (iv) such other natural persons and business entities as Champs Chicken may designate. An equityholder shall be deemed to "own" equity whether such ownership is direct, indirect, or beneficial. All of Franchisee's Principals as of the Effective Date of this Agreement, and the percentage of equity each such Principal owns or holds, are set forth on Schedule A to this Agreement.

1.15 Program Quarter. "Program Quarter" shall mean three (3) or four (4) consecutive Accounting Periods as Champs Chicken may prescribe.

1.16 Program Year. "Program Year" shall mean: (i) thirteen (13) consecutive Accounting Periods; and (ii) four (4) consecutive Program Quarters.

1.17 Renovation. "Renovation" shall mean the periodic large-scale refurbishment and remodeling of Franchisee's Restaurant, and replacement of worn, obsolete, or non-functioning furniture, fixtures, equipment, décor, and signage.

1.18 Trade Secret. "Trade Secret" shall have the meaning ascribed to it in Section 1 of the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D.

1.19 VIR. "VIR" Shall mean "volume incentive rebate" as set forth in Section 10.7 of this Agreement.

2. GRANT OF FRANCHISE

2.1 Grant of Franchise. Champs Chicken hereby grants to Franchisee, and Franchisee hereby accepts from Champs Chicken, a franchise (the "Franchise") to develop, open, and operate one Champs Chicken restaurant (the "Restaurant"), at and from the Approved Location (as defined in Section 1.2 of this Agreement), using the System, in compliance with this Agreement (all of which, together with Franchisee's Champs Chicken restaurant business and the Restaurant, being referred to collectively in this Agreement as the "Franchised Business").

2.2 Franchisee's Right to Develop Additional Restaurants. Champs Chicken may offer Franchisee the opportunity to enter into an addendum to this Agreement (the "Option Addendum"). Under such Option Addendum, Franchisee would have the right to develop, open, and operate additional Champs Chicken restaurants under this Agreement. If Franchisee and Champs Chicken agree to enter into the Option Addendum, Franchisee will execute and deliver to Champs Chicken the Option Addendum in substantially the form attached to this Agreement as Schedule B, together with the Option Deposit specified in such Option Addendum, together with this Agreement.

2.3 Uniform Standards. Franchisee acknowledges and agrees that the central feature of a franchise system is a consistent method of operation at all franchised businesses in the system; and that, as a result, it is essential to the high standards and goodwill of the System that each franchisee, including Franchisee, complies with all of Champs Chicken's rules, guidelines, standards, specifications, plans, programs, and procedures, all of which Champs Chicken may set forth in Champs Chicken's confidential operations manual and directives Champs Chicken may issue from time to time (such confidential operations manual and directives being referred to collectively in this Agreement as the "Operations Manual"), and with this Agreement. In acknowledgment of the foregoing: (i) Franchisee acknowledges and agrees that Champs Chicken may modify all or any part of the System to adapt to changes in the marketplace, economic conditions, business conditions, the hospitality profession, the Law, the demands of consumers, Champs Chicken's business needs, the needs of the System, and otherwise; (ii) Franchisee acknowledges and agrees that such modifications may include additions to, deletions from, and modifications to the Products and Services; modifications to any or all of the rules, guidelines, standards, specifications, plans, programs, and procedures related to the Franchised Business; and additions to, deletions from, and modifications of, the System, including without limitation the Marks; (iii) Franchisee acknowledges and agrees that Franchisee expects Champs Chicken to change the System; (iv) Franchisee covenants, warrants, represents, and agrees that Franchisee will comply with this Agreement; (v) Franchisee covenants, warrants, represents, and agrees that Franchisee will comply with all rules, guidelines, standards, specifications, plans, programs, and procedures, related to the System, and the Operations Manual, as Champs Chicken may add to, delete from, and modify any or all of them from time to time; and (vi) Champs Chicken acknowledges and agrees that such additions, deletions, and modifications will not materially and unreasonably increase Franchisee's obligations or decrease Franchisee's rights set forth in this Agreement.

2.4 Reasonable Business Judgment. Champs Chicken acknowledges and agrees that it will, and Franchisee acknowledges and agrees that Champs Chicken may, use Reasonable Business Judgment, as defined in Section 24.1 of this Agreement, in the exercise of Champs Chicken's rights, discharge of Champs Chicken's obligations, and exercise of Champs Chicken's discretion under this Agreement, and in all circumstances where Champs Chicken is required to give its consent, unless this Agreement expressly provides some other standard.

3. **INITIAL TERM OF FRANCHISE; RENEWAL**

3.1 Initial Term of Franchise. This Agreement will commence on the Effective Date and will continue in effect for the initial term set forth in the Franchise Summary of this Agreement (the "Initial Term"), subject to earlier termination as set forth in this Agreement.

3.2 Renewal of Franchise. Franchisee may renew the Franchise granted under this Agreement for two (2) additional ten (10) year terms (each such additional term being referred to in this Agreement as a "Renewal Term," and the Initial Term, together with the Renewal Terms, being referred to collectively in this Agreement as the "Term"), provided that:

3.2.1 Franchisee delivers written notice (the "Renewal Notice") fewer than twelve (12) months, but more than six (6) months before the end of the Initial Term or the then-current Renewal Term, notifying Champs Chicken of Franchisee's intent to renew the Franchise for the next Renewal Term.

3.2.2 At the time Franchisee delivers the Renewal Notice: (i) Franchisee is in compliance with this Agreement; (ii) Franchisee is in compliance with the Operations Manual; and (iii) Franchisee and its affiliates are in compliance with all other agreements to which Franchisee or such affiliates on the one hand, and Champs Chicken or Champs Chicken's affiliates on the other hand, are parties.

3.2.3 At all times during the Term: (i) Franchisee has been in substantial compliance with this Agreement; (ii) Franchisee has been in substantial compliance with the Operations Manual; and (iii) Franchisee and its affiliates have been in substantial compliance with all other agreements to which Franchisee or such affiliates on the one hand, and Champs Chicken or Champs Chicken's affiliates on the other hand, are parties.

3.2.4 Franchisee Renovates (as defined in Section 1.17 of this Agreement) the Restaurant during the period beginning with the date Franchisee delivers the Renewal Notice and ending three (3) months before the expiration date of the Initial Term.

3.2.5 Franchisee enters into Champs Chicken's then-current form of franchise agreement, including all schedules, exhibits, addenda, attachments, and amendments to it (collectively, the "Replacement Franchise Agreement"), all of which may contain terms that vary materially from the terms of this Agreement.

3.2.6 Franchisee and its Principals execute and deliver to Champs Chicken a Release, Estoppel, Covenant Not to Sue, and Indemnification, in substantially the form set forth in Schedule F to this Agreement (the "Release").

3.2.7 Franchisee pays Champs Chicken a renewal fee equal to Seven Thousand Five Hundred Dollars ($7,500.00) (the "Renewal Fee").

3.3 Non-Renewal by Franchisee. Franchisee will be deemed to have declined to renew the Franchise, and the option to renew the Franchise set forth in Section 3.2 of this Agreement will expire on notice to Franchisee, if Franchisee does not: (i) deliver to Champs Chicken the Renewal Notice as set forth in Section 3.2.1 of this Agreement; (ii) execute and deliver to Champs Chicken the Replacement Franchise Agreement and the Release by the end of thirty (30) days after Champs Chicken delivers them to Franchisee for execution; and (iii) deliver to Champs Chicken the Renewal Fee prior to or contemporaneously with Franchisee's delivery of the Replacement Franchise Agreement and the Release.

3.4 Notice of Expiration. If applicable Law requires Champs Chicken to give notice of expiration to Franchisee at a specific time before the expiration of the Initial Term of the Franchise, and Champs Chicken has not given Franchisee such notice, then Champs Chicken will extend the term of the Franchise on a month-to-month basis until: (i) Champs Chicken has given Franchisee the notice of expiration applicable Law requires; and (ii) the period that is required to pass before such expiration of the Franchise becomes effective has passed.

3.5 Operation After Termination or Expiration. If Champs Chicken allows Franchisee to continue to operate the Restaurant after the termination of the Franchise, or after the expiration of the Franchise without entry into the Replacement Franchise Agreement: (i) such operation shall be on a month-to-month basis; and (ii) Franchisee will cease such operation at the end of the then-current calendar month on notice from Champs Chicken to cease such operation.

3.6 Effect of Non-Renewal, Termination, or Expiration. Non-renewal, termination, or expiration of this Agreement will constitute termination of this Agreement and the Franchise.

4. FEES

4.1 Initial Franchise Fee. Franchisee will pay Champs Chicken an initial franchise fee in the amount set forth in the Franchise Summary of this Agreement (the "Initial Franchise Fee") when Franchisee executes and delivers this Agreement to Champs Chicken. On Franchisee's execution and delivery of this Agreement to Champs Chicken, the Initial Franchise Fee will be deemed fully earned and nonrefundable, in consideration of the administrative and other expenses Champs Chicken incurs in connection with this transaction and Champs Chicken's lost or deferred opportunity to grant franchises to others. Notwithstanding the foregoing, Champs Chicken will refund the entire amount of the Initial Franchise Fee that Champs Chicken actually received if Champs Chicken does not enter into this Agreement by the end of thirty (30) days after Franchisee delivers a duly-executed original of this Agreement, and all related Schedules, Exhibits, and agreements, to Champs Chicken for Champs Chicken's execution.

4.2 Gross Sales.

4.2.1 As used in this Agreement, "Gross Sales" shall include all revenue related to the sale of products and performance of services in, at, about, from, or through the Restaurant, whether for cash or credit, and regardless of collection in the case of credit, and income of every kind and nature related to the Restaurant, including without limitation insurance proceeds and condemnation awards for loss of sales, profits, business, or otherwise; and further including without limitation amounts from games, ATM fees, gift cards, catering, catering vehicles, and otherwise; provided, however, that "Gross Sales" shall not include:

4.2.1.1 Revenues from sales taxes or other add-on taxes that Franchisee collects from guests and duly transmits to the appropriate taxing authority;

4.2.1.2 Tips guests give that are charged to the guests' credit or debit cards; and

4.2.1.3 The retail value of complimentary services, discounts, trade-outs, cash refunds to guests, coupons used by guests, and credit card fees (collectively, the "Comps"), up to a maximum of three percent (3%) of Gross Sales in the aggregate. In no event may Franchisee exclude more than three percent (3%) of the Restaurant's Gross Sales for Comps.

4.2.2 Franchisee will offer for sale and sell the Products and Services at and from Franchisee's Restaurant only, except as Champs Chicken may expressly authorize in writing. In the event that Franchisee sells or delivers products and services away from the Restaurant, whether such sales and deliveries are with or without Champs Chicken's consent, Franchisee shall include the revenues from such sales and deliveries in the Restaurant's Gross Sales.

4.2.3 In order for Comps based on complimentary services, discounts, trade-outs, and cash refunds to guests to be excluded from Gross Sales, Franchisee must provide Champs Chicken with the name of the guest receiving each such Comp and the reason for such Comp. Champs Chicken reserves the right to disapprove any Comp that Champs Chicken deems to be unreasonable; as, for example, when one guest receives a disproportionately large number of Comps.

4.2.4 All exchanges in kind or barter transactions pursuant to which Franchisee furnishes goods, services, or intangible benefits in exchange for or in anticipation of goods, services, or intangible benefits to be provided, whether by a vendor, supplier, guest, or otherwise, will, for the purpose of determining Gross Sales, be valued at the greater of the full retail value of the goods, services, and intangible benefits provided by Franchisee or to Franchisee.

4.3 Royalty Fee. Franchisee agrees to pay Champs Chicken, monthly throughout the Term of this Agreement, a royalty fee equal to three percent (3.0%) of the Gross Sales realized from the Restaurant and from any other revenues received using Champs Chicken's methods, operations and/or trade secrets (the "Royalty Fee"). The Royalty Fee shall be due and payable by Franchisee to Champs Chicken on the tenth (10th) day of each calendar month for Gross Sales of the immediately preceding month.

4.4 Payment of Amounts Owed.

4.4.1 Method of Payment; Timing. Franchisee will pay all amounts Franchisee is obligated to pay Champs Chicken: (i) in one lump sum; (ii) by automatic ("ACH") debit, in certified funds, or in such other manner as Champs Chicken may direct; (iii) in United States dollars; and (iv) so that Champs Chicken actually receives such payment by the end of the date such payment is due.

4.4.2 Deduction or Setoff. Franchisee will pay all amounts Franchisee is obligated to pay Champs Chicken without deduction, setoff, or abatement. Franchisee will not, on the grounds of any alleged breach by Champs Chicken of this Agreement or for any other reason, withhold payment of any such amount.

4.4.3 Collection Charge; Interest. If Franchisee fails to pay any amount Franchisee is obligated to pay Champs Chicken so that Champs Chicken actually receives the payment by the end of the date such payment is due, Franchisee will pay Champs Chicken, so that Champs Chicken actually receives such payment by the end of five (5) days after Champs Chicken's request for payment:

4.4.3.1 The amount of the payment; plus

4.4.3.2 A collection charge (the "Collection Charge") equal to the greater of: (i) One Hundred and No/100 Dollars ($100) per delinquent payment; or (ii) Champs Chicken's actual costs of collection, which costs may include, without limitation, Champs Chicken's employee costs, overhead, and attorneys' fees and costs; plus

4.4.3.3 Interest on the overdue amount equal to the lesser of: (i) the daily equivalent of eighteen percent (18%) per annum (the "Contract Rate"); or (ii) the highest rate then permitted by Law (the "Default Rate").

4.4.4 Payment by Others. If any other person or entity, including without limitation any of Franchisee's Principals, any affiliate, or any other person or entity, pays any amount Franchisee owes Champs Chicken, such payment shall be deemed to have been made by Franchisee through such payor as Franchisee's authorized agent, as if Franchisee had made the payment itself. In no event shall Champs Chicken's acceptance of such payment confer any rights on such payor.

4.4.5 Deficient Payment. Champs Chicken's acceptance, deposit, or other manifestation of satisfaction with a payment that is less than the full amount Franchisee owes Champs Chicken: (i) shall not be construed as a satisfaction of the amount Franchisee owes Champs Chicken; and (ii) shall not affect Champs Chicken's right to collect the full amount Franchisee owes Champs Chicken.

4.4.6 Taxes. Franchisee will reimburse Champs Chicken, so that Champs Chicken actually receives such reimbursement by the end of ten (10) days after Champs Chicken's request for such reimbursement, the amount of all sales taxes, franchise taxes, trademark license taxes, and any other taxes or levies whatsoever, however denominated, imposed on Champs Chicken or Champs Chicken's affiliates, or required to be paid by Champs Chicken or Champs Chicken's affiliates, related to any transactions between Champs Chicken and Franchisee; provided, however nothing set forth in this Section 4.4.6 will require Franchisee to reimburse Champs Chicken for federal, state, or local income taxes on income Champs Chicken derives from this Agreement.

4.4.7 Settlement. If Champs Chicken collects payments on Franchisee's behalf, Champs Chicken may set off any amounts Franchisee owes Champs Chicken or Champs Chicken's affiliates against the amounts Champs Chicken collects (the "Settlement"), in which event Champs Chicken will remit to Franchisee the balance that Franchisee is entitled to receive by the end of fifteen (15) days after the end of the month in which Champs Chicken received the payment.

5. TERRITORY

5.1 Scope of Rights; Champs Chicken's Reserved Rights. This Agreement grants Franchisee the right to develop, open, and operate one Champs Chicken Restaurant using the System at and from the Approved Location only. Champs Chicken reserves all rights that Champs Chicken does not expressly grant Franchisee in this Agreement.

5.2 Size of Territory. The rights granted by this Agreement apply only to a single location within a territory that is designated in Schedule A attached hereto and incorporated herein (the "Territory"). Upon consent by Franchisor to the location for the Champs Chicken Restaurant, Champs Chicken shall set forth the location and Territory in Schedule A of this Agreement and shall provide a copy thereof to Franchisee. Schedule A, as completed by Champs Chicken, shall be incorporated herein and made a part hereof. Franchisee shall notify Champs Chicken within fifteen (15) days of any error or rejection of Schedule A; otherwise, the Schedule A provided to Franchisee shall be deemed final.

5.3 Territorial Rights and Limitations Inside Franchisee's Territory.

5.3.1 Territorial Rights and Limitations Generally. For as long as this Agreement is in effect, except as otherwise set forth in this Agreement, inside Franchisee's Territory: (i) Champs Chicken will not develop, open, or operate, and Champs Chicken will not authorize others to develop, open, or operate, restaurants using the Marks; and (ii) Champs Chicken and Champs Chicken's affiliates may develop, open, and operate, and may authorize others to develop, open, and operate, restaurants and other businesses using marks other than the Marks, without providing any rights or compensation to Franchisee.

5.3.2 Nontraditional Locations. Notwithstanding anything set forth in Section 5.3.1(i) of this Agreement to the contrary, Champs Chicken may develop, open, and operate, and Champs Chicken may authorize others to develop, open, and operate, restaurants using the System: (i) in grocery stores, convenience stores, and other business-within-a-business and similar locations (each such location being referred to in this Agreement as a "Business-Within-a-Business Location"); and (ii) in airports, train stations or terminals, bus stations or terminals, shopping center food courts, colleges, universities, sports arenas, stadiums, entertainment centers, government-owned and government-leased facilities including without limitation military bases, and similar venues (each such location, including Business-Within-a-Business Locations, being referred to in this Agreement as a "Nontraditional Location"), even if such restaurant in the Nontraditional Location is within Franchisee's Territory, and even if such restaurant competes with Franchisee.

5.4 Territorial Rights and Limitations Outside Franchisee's Territory. Outside Franchisee's Territory, Champs Chicken and Champs Chicken's affiliates may develop, open, and operate, and may authorize others to develop, open, and operate, restaurants using the Marks and marks other than the Marks, including without limitation marks associated with other systems Champs Chicken or Champs Chicken's affiliates may develop, without providing any rights or compensation to Franchisee.

5.5 Alternative Distribution Channels. Notwithstanding anything set forth in this Section 5 to the contrary, Champs Chicken and Champs Chicken's affiliates may offer for sale, sell, and deliver Products and Services, including without limitation Champs Chicken's private-label food, beverages, merchandise, miscellaneous items, and otherwise (collectively, the "Private-Label Products"), by means of the Internet; through catalog sales; through toll-free telephone lines or any similar forms of electronic commerce; through telemarketing, other direct-marketing techniques, and radio and television advertisements and sales; and through any other distribution channels (collectively, the "Alternative Distribution Channels"), inside or outside Franchisee's Territory, all without payment of any compensation to Franchisee; provided, however, except as otherwise set forth in this Section 5 of this Agreement, such Alternative Distribution Channels will not include restaurants using the Marks in Franchisee's Territory.

5.6 Service and Solicitation of Guests. Franchisee may serve guests who reside inside or outside Franchisee's Territory, even if such guests reside in the territory of a Company-Owned restaurant or the territory of another franchisee of Champs Chicken, all without payment of any compensation to Champs Chicken except for the amounts shown in this Agreement, and without payment of any compensation to such franchisee. Champs Chicken and Champs Chicken's other franchisees may serve guests who reside in Franchisee's Territory, all without payment of any compensation to Franchisee. Franchisee may not solicit business outside Franchisee's Territory, except that Franchisee may: (i) fulfill Franchisee's Local Advertising Requirement (as defined in Section 9.2 of this Agreement) by advertising jointly with other franchisees under the System in Franchisee's Territory and the territories of such other franchisees; (ii) list Franchisee's Restaurant on Franchisee's Internet Site (as defined in Section 9.7.2 of this Agreement) and Social Media Sites (as defined in Section 9.7.3 of this Agreement); and (iii) advertise via radio, television, and like media that broadcast into areas outside Franchisee's Territory, provided such radio stations, television stations, and like media also broadcast into Franchisee's Territory.

6. SITE SELECTION AND ACQUISITION

6.1 Approved Location. Franchisee will develop the Restaurant at the Approved Location. Franchisee has the sole responsibility for selecting the site where Franchisee proposes to develop the Restaurant (the "Proposed Site"). If, as of the Effective Date of this Agreement, Franchisee has determined a location for the Restaurant and Champs Chicken has approved such location, then Champs Chicken will show such Approved Location on the Franchise Summary of this Agreement. If, as of the Effective Date of this Agreement, Champs Chicken has not approved a location for the Restaurant:

6.1.1 Franchisee will determine a Proposed Site for the Restaurant. Such Proposed Site will be a site within the development area (the "Development Area") set forth in Schedule A to this Agreement. Such Development Area is non-exclusive. Champs Chicken and its affiliates may develop, open, and operate, and Champs Chicken and its affiliates may authorize others to develop, open, and operate, restaurants under the System and under systems other than the System, anywhere in such Development Area that Champs Chicken or its affiliates deems appropriate, all without payment of any compensation to Franchisee.

6.1.1.1 If Franchisee elects to lease the Proposed Site, Franchisee will deliver notice to Champs Chicken that Franchisee has selected the Proposed Site, together with the address and an unexecuted copy of the lease for such Proposed Site, so that Champs Chicken actually receives them by the end of ninety (90) days after the Effective Date of this Agreement.

6.1.1.2 If Franchisee elects to purchase the Proposed Site, Franchisee will deliver notice to Champs Chicken that Franchisee has selected the Proposed Site, together with the address and unexecuted copies of the purchase documents for such Proposed Site, so that Champs Chicken actually receives them by the end of ninety (90) days after the Effective Date of this Agreement.

6.1.2 Champs Chicken will have thirty (30) days after Champs Chicken receives the notice and required documents described in Section 6.1.1.1 or Section 6.1.1.2 of this Agreement to request information that Champs Chicken deems relevant to Champs Chicken's decision to approve or reject the Proposed Site. Such information may include, but will not be limited to: (i) demographic information, including population density, income levels, traffic counts, and traffic patterns in the area where the Proposed Site is located; (ii) potential competition in proximity to the Proposed Site, including potential competition from other Champs Chicken restaurants, and from restaurants of other systems Champs Chicken or Champs Chicken's affiliates may develop; (iii) matters related to the convenience of Franchisee's guests, including ease of access to the Proposed Site, the availability of convenient parking, visibility to the public, safety, and security; (iv) cost and expense information, including all loan documents, notes, mortgages, security agreements, and similar instruments and agreements; (v) a description of the construction, remodeling, and renovations required to conform the Proposed Site to Champs Chicken's requirements; and (vi) other information Champs Chicken deems appropriate (collectively, the "Site Evaluation Information"). Champs Chicken will approve or reject the Proposed Site by the end of thirty (30) days after Champs Chicken receives the last Site Evaluation Information Champs Chicken requests. Champs Chicken will not unreasonably withhold its approval of any Proposed Site. If Champs Chicken has not rejected the Proposed Site by the end of such thirty (30) day period, the Proposed Site will be deemed an Approved Location. If Champs Chicken rejects the Proposed Site, Franchisee and Champs Chicken will repeat the process described in this Section 6.1.2. Once the Approved Location is determined, Champs Chicken may amend the Franchise Summary of this Agreement to add the address of the Approved Location.

6.1.3 Champs Chicken may assist Franchisee in selecting a Proposed Site, and with negotiating the lease or purchase of the Proposed Site, but Champs Chicken will not be obligated to do so.

Champs Chicken's approval of any Proposed Site is Champs Chicken's agreement that the Proposed Site satisfies Champs Chicken's minimum site selection criteria only, and shall not be construed as a representation or warranty that the Restaurant located at the Proposed Site will be successful. Franchisee specifically agrees that Champs Chicken shall not bear any responsibility related to the selection and approval of the Proposed Site, and that Champs Chicken shall have no liability related to such Proposed Site.

6.1.4 Champs Chicken may inspect any Proposed Site. Champs Chicken will bear all travel costs and expenses, and all costs of Champs Chicken's inspecting personnel, to inspect Franchisee's first Proposed Site. If Champs Chicken rejects Franchisee's first Proposed Site, or if Franchisee requests that Champs Chicken inspect additional Proposed Sites, Franchisee will reimburse Champs Chicken for the amount of Champs Chicken's travel costs and expenses, and all costs of Champs Chicken's inspecting personnel, to inspect the second or subsequent Proposed Sites.

6.1.5 At such time as Champs Chicken approves the Proposed Site, all of Franchisee's rights to the Development Area will terminate automatically, and will be replaced by the Territory.

6.1.6 If Franchisee has not obtained an Approved Location, and as a result Franchisee will be unable to meet the Opening Date set forth in Section 8.1 of this Agreement after any extensions of such Opening Date that Champs Chicken may grant Franchisee as set forth in Section 8.2 of this Agreement, Champs Chicken will have the right to terminate this Agreement pursuant to Section 20.4.7 of this Agreement.

6.2 Lease, Purchase, and Loan Agreement Terms.

6.2.1 Except as Franchisee and Champs Chicken may otherwise agree in a written agreement signed by the officers of Franchisee, Champs Chicken, and all other applicable parties, each lease, purchase, and loan agreement for the development, opening, and operation of the Restaurant: (i) will be entered into by and in the name of Franchisee as tenant, purchaser, or borrower; and (ii) will not be entered into by or in the name of any affiliate of Franchisee, or any other person or entity, as tenant, purchaser, or borrower.

6.2.2 Each lease, purchase, and loan agreement Franchisee enters into will provide, in a form and substance satisfactory to Champs Chicken: (i) terms and conditions comparable to those prevalent in the geographic area in which the Territory is located for similarly-situated tenants, purchasers, and borrowers; and (ii) that Franchisee will have quiet enjoyment and nondisturbance for as long as the lease or loan remains in good standing.

6.2.3 In addition to the requirements set forth in Section 6.2.2 of this Agreement, if Franchisee leases the Approved Location, each lease Franchisee enters into will provide, in a form and substance satisfactory to Champs Chicken:

6.2.3.1 That on the termination of this Agreement for any reason, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Champs Chicken will have the option, for thirty (30) days after such termination or expiration: (i) if Franchisee is in breach of the lease, to cure such breaches; (ii) to assume Franchisee's obligations under the lease and replace Franchisee as the tenant under the lease, or to have another franchisee or other party Champs Chicken may designate assume Franchisee's obligations under the lease and replace Franchisee as the tenant under the lease.

6.2.3.2 That the landlord will: (i) deliver written notice to Champs Chicken specifying any and all of Franchisee's breaches related to such lease, and the method of curing the breaches;

(ii) grant Champs Chicken thirty (30) days after Champs Chicken receives such notice to cure the breaches; and (iii) allow Champs Chicken to assume Franchisee's obligations under the lease and replace Franchisee as the tenant under the lease, or to have another franchisee or other entity Champs Chicken may designate assume Franchisee's obligations under the lease and replace Franchisee as the tenant under the lease.

6.2.3.3 That the provisions set forth in Section 6.2.3.1 of this Agreement, and in Clauses (ii) and (iii) of Section 6.2.3.2 of this Agreement, are rights but not obligations of Champs Chicken, and that notwithstanding the fact that Champs Chicken has such rights, Champs Chicken has no obligation to exercise such rights.

6.2.3.4 That Franchisee and the landlord will, on Champs Chicken's request, enter into a conditional assignment of lease, which conditional assignment of lease will grant Champs Chicken or its assignee the right to succeed to the rights and obligations of Franchisee under the lease in the event that: (i) this Agreement is terminated for any reason, or this expires without entry into a Replacement Franchise Agreement; or (ii) Franchisee commits any breach of the lease that could lead to termination of the lease agreement.

6.2.3.5 That the landlord agrees that as between Franchisee and Champs Chicken, and as between such landlord and Champs Chicken, Franchisee is solely responsible for all debts, payments, and performance under the lease that were incurred prior to the date and time that Champs Chicken, another franchisee, or such other entity as Champs Chicken may designate, actually takes possession of the leased premises.

6.2.3.6 That the permitted use of the Approved Location will be limited to the operation of an authorized Champs Chicken branded restaurant.

6.2.3.7 That the lease will not be modified or amended without Champs Chicken's prior written consent, which consent Champs Chicken will not unreasonably withhold. Franchisee will promptly provide Champs Chicken with copies of all proposed modifications or amendments, and true and correct copies of all executed modifications and amendments.

6.2.4 Franchisee covenants, warrants, represents, and agrees that with respect to any and all lease agreements, purchase agreements, loan agreements, and other agreements Franchisee enters into: (i) Franchisee will not create any obligations to be performed by Champs Chicken, grant any rights against Champs Chicken, or agree to any other act, omission, term, condition, or covenant that is inconsistent with any aspect of this Agreement; (ii) Franchisee will duly and timely perform all terms, conditions, covenants, and obligations under such lease agreements, purchase agreements, loan agreements, and other agreements; and (iii) Franchisee will not commit any breach of any term, condition, covenant, or other obligation of any such lease agreement, purchase agreement, loan agreement, or other agreement.

6.2.5 Franchisee covenants, warrants, represents, and agrees that with respect to any and all leases Franchisee enters into, except as otherwise provided in this Agreement, Franchisee will not assign, charge, encumber, or transfer any or all of Franchisee's rights under such lease, or sublet all or any part of the Approved Location, without Champs Chicken's prior express written consent.

6.3 Relocation of Restaurant. Franchisee will not relocate the Restaurant without Champs Chicken's prior written consent. To obtain Champs Chicken's consent, Franchisee must: (i) comply with the procedures set forth in Section 6.1 of this Agreement for a Proposed Site, and with such other criteria as Champs Chicken may establish; (ii) close its old Restaurant and open its relocated Restaurant substantially simultaneously so that there is no break in operations; and (iii) enter into Champs Chicken's then-current form of Relocation Agreement, which Relocation Agreement will set forth the terms of such relocation and will contain substantially the form of Release, Estoppel, Covenant Not to Sue, and Indemnification set forth in Schedule F to this Agreement. Subject to this Section 6.3, such new location will be deemed to be the "Approved Location" as that term is used in this Agreement. Any relocation of Franchisee's Restaurant will be at Franchisee's sole cost and expense. Franchisee will reimburse Champs Chicken for any costs or expenses Champs Chicken may incur related to such relocation, including without limitation all costs and expenses Champs Chicken may incur in evaluating Franchisee's replacement site, and all costs and expenses Champs Chicken may incur in connection with the Relocation Agreement, including without limitation Champs Chicken's attorneys' fees and costs, so that Champs Chicken actually receives such reimbursement by the end of ten (10) days after Champs Chicken demands such reimbursement.

7. SITE IMPROVEMENTS; PLANS; RENOVATION; CONSTRUCTION

7.1 Responsibility for Site Improvements. Franchisee will effect the site improvements and install the furniture, fixtures, equipment, décor, and signage at the Restaurant that Champs Chicken requires to comply with Champs Chicken's standards and specifications. Champs Chicken will consult with Franchisee regarding the design, construction, remodeling, equipping, and decorating of the Restaurant; provided, however, it will be Franchisee's sole responsibility to design, construct, remodel, equip, decorate, ready, and open the Restaurant in compliance with this Agreement and the Operations Manual.

7.2 Sample Plans; Proposed Final Plans; Approved Final Plans. Champs Chicken will provide Franchisee with a sample layout for the interior of a standard Champs Chicken restaurant and with a set of standard preliminary plans and specifications (such sample layout and standard preliminary plans and specifications being referred to collectively as the "Sample Plans") for furniture, fixtures, equipment, décor, and signage. Franchisee will employ architects, designers, engineers, and such others as may be necessary to complete, adapt, or modify the Sample Plans and specifications for the Restaurant, or to substitute other plans and specifications for such Sample Plans. Franchisee will submit to Champs Chicken a complete set of final plans and specifications Franchisee proposes to use (the "Proposed Final Plans") before Franchisee commences any construction of the Restaurant. Champs Chicken will review the Proposed Final Plans promptly, and will approve or provide comments regarding such Proposed Final Plans to Franchisee by the end of thirty (30) days after Champs Chicken receives such Proposed Final Plans. Franchisee may not commence construction of the Restaurant until Champs Chicken has approved the Proposed Final Plans in writing (such Proposed Final Plans being referred to in this Agreement, after Champs Chicken's approval, as the "Approved Final Plans"). Subject to this Section 7.2, Champs Chicken will provide all Sample Plans, and will review, provide comments to, and approve, the Proposed Final Plans, at no additional cost to Franchisee. All completion, adaptation, modification, or replacement of such Sample Plans; all preparation, adaptation, modification, or replacement of the Proposed Final Plans; and all preparation of the Approved Final Plans, will be at Franchisee's sole cost and expense.

7.3 Responsibility for Costs and Expenses. Franchisee will effect all site improvements related to Franchisee's Restaurant at Franchisee's sole cost and expense. Franchisee will lease or purchase, install, use, and maintain all furniture, fixtures, equipment, décor, and signage related to the Restaurant at Franchisee's sole cost and expense.

7.4 Renovation of Restaurant. Franchisee acknowledges and agrees that it is in Franchisee's best interests, and that is in the best interests of Champs Chicken's other franchisees and the System, that each Champs Chicken restaurant, including Franchisee's Restaurant, be clean, up-to-date, well-maintained, and well-appointed. Therefore, Franchisee acknowledges and agrees that Franchisee will, at Champs Chicken's request, Renovate Franchisee's Restaurant to conform to: (i) Champs Chicken's then-current standards and specifications for Champs Chicken restaurants; and (ii) Champs Chicken's judgment as to the condition, state of repair, functionality, and general appearance of Franchisee's Restaurant, furniture, fixtures, equipment, décor, and signage compared to the condition, state of repair, functionality, and general appearance that Champs Chicken considers desirable. Franchisee will effect such Renovations at Franchisee's sole cost and expense. Franchisee and Champs Chicken acknowledge and agree that the Renovations are intended to be periodic large-scale refurbishment and remodeling of Franchisee's Restaurant, and replacement of worn, obsolete, or non-functioning furniture, fixtures, equipment, décor, and signage, and that nothing set forth in this Section 7.4 of this Agreement will affect Champs Chicken's right to require Franchisee to maintain Franchisee's Restaurant in compliance with this Agreement, the Operations Manual, and Champs Chicken's standards and specifications, or Franchisee's obligation to do so.

7.4.1 Champs Chicken will not require Franchisee to Renovate the Restaurant more often than one (1) time every seven (7) years.

7.4.2 Franchisee will submit to Champs Chicken a complete set of plans, specifications, and equipment lists Franchisee proposes to use to effect the Renovations (the "Proposed Renovation Plans") before Franchisee commences any Renovation of the Restaurant. Champs Chicken will review the Proposed Renovation Plans promptly and will approve or provide comments regarding such Proposed Renovation Plans to Franchisee by the end of thirty (30) days after Champs Chicken receives such Proposed Renovation Plans. Franchisee may not commence Renovation of the Restaurant until Champs Chicken has approved the Proposed Renovation Plans in writing (such Proposed Renovation Plans being referred to in this Agreement, after Champs Chicken's approval, as the "Approved Renovation Plans").

7.4.3 Franchisee will complete all Renovations by the end of six (6) months after Champs Chicken delivers notice to Franchisee that Champs Chicken is requiring Franchisee to effect such Renovations.

7.5 Construction, Inspection, and Opening. Franchisee will use a licensed general contractor to perform all construction, remodeling, refurbishment, and Renovation of the Restaurant. On Champs Chicken's request, Franchisee will immediately furnish to Champs Chicken: (i) the names and addresses of any or all subcontractors and vendors involved in any construction, remodeling, refurbishment, or Renovations; (ii) copies of all permits, licenses, contractors' liability insurance certificates, and other items required for the lawful construction, remodeling, refurbishment, Renovation, equipping, and operation of the Restaurant; and (iii) copies of all construction contracts, documents, and lien waivers, related to such construction, remodeling, refurbishment, Renovation, and equipping of the Restaurant.

7.5.1 Champs Chicken will not be responsible for any delays in the design, construction, remodeling, refurbishment, Renovation, or equipping of the Restaurant, or for any loss resulting from such design, construction, remodeling, refurbishment, Renovations, or equipping. Champs Chicken must approve in writing all material changes to the Approved Final Plans and Approved Renovation Plans before Franchisee effects any such changes. Franchisee will grant Champs Chicken access to the Approved Location while work is in progress and will cooperate with Champs Chicken in any inspections Champs Chicken may desire to conduct. Franchisee will promptly effect such alterations to or modifications of the construction or Renovation of the Restaurant as Champs Chicken may deem necessary.

7.5.2 Franchisee acknowledges and agrees that Franchisee: (i) will permit Champs Chicken, on Champs Chicken's request, to conduct a final inspection of the completed or Renovated Restaurant; (ii) will effect such corrections, alterations, and modifications as Champs Chicken may deem necessary to bring the Restaurant into compliance with the Approved Final Plans, Approved Renovation Plans, Operations Manual, Champs Chicken's standards and specifications, or otherwise; and (iii) will not open the Restaurant unless and until it conforms to the Approved Final Plans, Approved Renovation Plans, Operations Manual, Champs Chicken's standards and specifications, and changes to any of them as Champs Chicken may approve.

7.5.3 Failure to correct promptly any material unauthorized variances from the Approved Final Plans, Approved Renovation Plans, Operations Manual, or Champs Chicken's standards and specifications, will be a breach of Section 20.4.7 of this Agreement.

7.5.4 Franchisee will effect all construction, remodeling, refurbishment, and Renovation of the Restaurant in compliance with all ordinances and building codes.

7.6 Signage and Trade Dress. Franchisee will install and will prominently display at the Restaurant the signage and trade dress Champs Chicken specifies. All signage and trade dress related to the Restaurant must conform to such standards and specifications as Champs Chicken may prescribe as to type, color, size, design, location, manner of display, and otherwise. Franchisee will obtain Champs Chicken's prior written approval before Franchisee installs, displays, adds to, deletes from, or modifies any such signage or trade dress. Franchisee will not display any signage or trade dress that Champs Chicken has not authorized Franchisee to display, or that Champs Chicken has directed Franchisee not to display.

8. OPENING DATE; EXTENSION OF OPENING DATE

8.1 Opening Date of Restaurant. Franchisee will open the Restaurant for regular business operations by the end of the date set forth in the Franchise Summary of this Agreement (the "Opening Date"). Franchisee will be deemed to have opened the Restaurant for regular business operations when Franchisee: (i) is ready, willing, and able to offer for sale and sell the Products and Services under the System at the Restaurant; (ii) has obtained all approvals, consents, permits, and licenses required to operate the Restaurant and to offer for sale and sell the Products and Services; and (iii) is in substantial compliance with the Operations Manual, this Agreement, and any and all other agreements related to the Franchised Business to which Franchisee or any of Franchisee's affiliates on the one hand, and Champs Chicken or any of Champs Chicken's affiliates on the other hand, are parties. Franchisee may not open and commence regular business operations until Champs Chicken has given Franchisee Champs Chicken's written approval to do so.

8.2 Extension of Opening Date. Champs Chicken will grant Franchisee up to three (3) sixty (60) day extensions of the Opening Date. Champs Chicken will not charge Franchisee any fee for the first such sixty (60) day extension. For the second such sixty (60) day extension, Franchisee will pay Champs Chicken a non-refundable extension fee of Two Thousand Five Hundred and No/100 Dollars ($2,500). For the third such sixty (60) day extension, Franchisee will pay Champs Chicken a non-refundable extension fee of Five Thousand and No/100 Dollars ($5,000).

8.2.1 To obtain an extension of the Opening Date: (i) Franchisee must request such extension in writing so that Champs Chicken actually receives such request by the end of ten (10) days before the then-current scheduled Opening Date; (ii) Champs Chicken must actually receive the payment set forth in Section 8.2 for such extension, provided Section 8.2 requires such payment, together with Franchisee's request for such extension; and (iii) Franchisee and Franchisee's Principals must enter into Champs Chicken's then-current form of Agreement Extending Opening Date, which Agreement Extending Opening Date will contain Champs Chicken's agreement to extend the scheduled Opening Date, and will include a Release, Estoppel, Covenant Not to Sue, and Indemnification in substantially the form set forth in Schedule F to this Agreement.

8.2.2 Champs Chicken will not be required to grant Franchisee's request for an extension of the Opening Date: (i) if Franchisee is, at the time of Franchisee's request, in breach of this

Agreement; (ii) if Franchisee has not been in substantial compliance with this Agreement and the Operations Manual during the portion of the Term that has expired; or (iii) if Champs Chicken determines, in Champs Chicken's exercise of Reasonable Business Judgment, that Franchisee would be unable to open the Restaurant by the end of the third (3rd) such extension of the scheduled Opening Date, if Champs Chicken were to grant such extension.

8.3 Obtaining Approvals; Inability to Open. Franchisee is solely responsible for promptly seeking and obtaining all governmental and other approvals, consents, permits, and licenses required to develop, open, and operate the Restaurant and to offer for sale and sell the Products and Services. Franchisee will use its best efforts to obtain all such required approvals, consents, permits, and licenses. Franchisee specifically agrees that Champs Chicken shall not bear any responsibility related to such approvals, consents, permits, and licenses, and shall have no liability related to any of them.

9. ADVERTISING FEES; ADVERTISING AND PROMOTION

9.1 Grand Opening Advertising Requirement. During the period beginning thirty (30) days before the Opening Date and ending sixty (60) days after such Opening Date, Franchisee must spend at least the amount set forth in the Franchise Summary on a program of local advertising and promotion promoting the grand opening of the Restaurant (the "Grand Opening Advertising Requirement"), as Champs Chicken prescribes. Such Grand Opening Advertising Requirement is in addition to the Local Advertising Requirement set forth in Section 9.2 of this Agreement.

9.2 Local Advertising Requirement. Franchisee will spend, each calendar quarter, the percentage of Franchisee's Gross Sales of the Restaurant set forth in the Franchise Summary, for the immediately-preceding calendar quarter, on a program of local advertising and promotion using the Marks in the Territory or in areas adjoining it (the "Local Advertising Requirement"). Such Local Advertising Requirement shall be prorated, on a straight-line basis, for each period at the beginning and end of the Term that is not a part of a whole calendar quarter. Expenditures on civic and charitable programs will be considered "local advertising and promotion" for the purpose of this Section 9.2, provided such programs display the Marks prominently or make material reference to Franchisee's Restaurant. Franchisee may deduct good-faith rebates Franchisee receives from advertising or promotional activities from the amount of the Local Advertising Requirement. Franchisee may apply funds spent through the MDF Program to its Local Advertising Requirement. The value of complimentary or discounted Products and Services, promotional discounts, and coupons shall not count toward fulfillment of the Local Advertising Requirement. Company-Owned Champs Chicken restaurants will spend the same amounts for local advertising and promotion as franchised restaurants are required to spend.

9.3 Regional Advertising Fee. Champs Chicken may determine that all Champs Chicken restaurants in a given market area should participate in a market-wide cooperative advertising arrangement (a "Regional Advertising Cooperative"). Champs Chicken will define such market area by one or more whole or partial cities, counties, Nielsen Designated Market Areas, or otherwise. If Champs Chicken determines that Franchisee must participate in a Regional Advertising Cooperative, Champs Chicken will notify Franchisee, and Franchisee's participation in the Regional Advertising Cooperative will be mandatory.

9.3.1 Champs Chicken will specify the percentage of Franchisee's Gross Sales that Franchisee must contribute to the Regional Advertising Cooperative (the "Regional Advertising Fee"); provided, however, such Regional Advertising Fee will not exceed two percent (2%) of Franchisee's Gross Sales. Franchisee may reduce the percentage Franchisee is required to spend to satisfy the Local Advertising Requirement by the percentage Franchisee contributes to the Regional Advertising Cooperative.

9.3.2 Company-Owned Champs Chicken restaurants in an area where Champs Chicken establishes a Regional Advertising Cooperative will pay the same Regional Advertising Fee percentage as similarly-situated franchised Champs Chicken restaurants in such area are required to pay.

9.3.3 Champs Chicken will have sole discretion over the application and disbursement of sums the Regional Advertising Cooperative collects, and the administration of the Regional Advertising Cooperative, all of which Champs Chicken may modify from time to time.

9.3.4 Franchisee acknowledges and agrees that: (i) the Regional Advertising Cooperative is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System in the area covered by the Regional Advertising Cooperative; and (ii) Champs Chicken has no obligation in administering the Regional Advertising Cooperative to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee or geographic region in the Regional Advertising Cooperative benefits directly or pro rata from Regional Advertising Cooperative advertising or promotional activities.

9.3.5 If Champs Chicken grants voting power to restaurants in the Regional Advertising Cooperative, Company-Owned Champs Chicken restaurants: (i) will have the same voting rights as franchisee-owned restaurants; and (ii) subject to Clause (i) above, will not have controlling voting power over fees that the Regional Advertising Cooperative imposes.

9.3.6 Champs Chicken may prepare written governing documents for the Regional Advertising Cooperative. If Champs Chicken prepares such written governing documents, Champs Chicken will provide Franchisee with a copy on Franchisee's written request.

9.3.7 Champs Chicken will prepare an accounting of the books of the Regional Advertising Cooperative each year. Champs Chicken will provide Franchisee with a copy of such accounting on Franchisee's written request.

9.3.8 Champs Chicken reserves the right to dissolve the Regional Advertising Cooperative at any time. No such dissolution will be effective until all monies in the Regional Advertising Cooperative have been spent for advertising or promotional purposes or returned to their contributors in proportion to their contributions.

9.3.9 Champs Chicken reserves the right to change the area covered by the Regional Advertising Cooperative, or to merge such Regional Advertising Cooperative with other cooperatives.

9.3.10 Champs Chicken may use Regional Advertising Cooperative contributions to meet any and all costs and expenses Champs Chicken may incur arising out of or related to Champs Chicken's administration of the Regional Advertising Cooperative and the preparing, implementing, placing, and maintaining of Regional Advertising Cooperative advertising and promotions.

9.4 Access to Advertising. Champs Chicken will grant Franchisee access to advertising and promotional programs and material Champs Chicken or Champs Chicken's designated advertising agency may develop for the System. Franchisee will receive, at no additional charge, access to all advertising and promotional programs and materials produced for the System for radio, television, or print media, including ad slicks, circulars, direct mail pieces, broad sheets, newsletters, and brochures. Franchisee will pay the hard costs associated with such programs and materials, such as the cost of purchasing media, film, plates, paper, and other hard costs; any shipping and handling charges for delivering such items to Franchisee; and all costs of having such materials published in the media. Franchisee will pay all costs of customizing such programs and materials.

9.5 Control of Advertising. Franchisee will use only advertising and promotional materials that Champs Chicken has provided to Franchisee or that Champs Chicken has approved in writing in advance.

9.5.1 If Franchisee desires to use advertising and promotional materials that Champs Chicken has provided to Franchisee, Franchisee must submit to Champs Chicken a description of the media in which Franchisee proposes to use them for Champs Chicken's approval prior to such use. Champs Chicken will have twenty-one (21) days in which to approve or disapprove the use of such materials in the media Franchisee proposes. If Champs Chicken has not disapproved the use of such materials in the media Franchisee proposes by the end of 21 days after Champs Chicken receives the descriptions from Franchisee, such use will be deemed approved.

9.5.2 If Franchisee desires to use advertising and promotional materials that Champs Chicken has not provided to Franchisee, Franchisee must submit such advertising and promotional materials, together with a description of the media in which Franchisee proposes to use them, to Champs Chicken for Champs Chicken's approval prior to such use. Champs Chicken will have twenty-one (21) days in which to approve or disapprove such materials and their use in the media Franchisee proposes. If Champs Chicken has not disapproved the use of such materials in the media Franchisee proposes by the end of 21 days after Champs Chicken receives the descriptions from Franchisee, they will be deemed approved.

9.5.3 Franchisee will not: (i) issue any press release or similar promotion related to the Restaurant, the Franchised Business, or the System unless Champs Chicken expressly approves such press release or promotion in writing in advance; (ii) conduct any advertising or promotional activities that fall outside Champs Chicken's guidelines; or (iii) advertise the Restaurant with any business that is not operated under this Agreement or some other Champs Chicken franchise agreement, without Champs Chicken's prior written consent.

9.5.4 Franchisee acknowledges and agrees that all advertising materials Champs Chicken prepares or provides are protected by copyright and are Champs Chicken's sole and exclusive property.

9.6 VIP Programs.

9.6.1 Champs Chicken may establish VIP guest programs, frequent-guest programs, gift card programs, coupon programs, and other promotional activities and programs (collectively, the "VIP Programs"). If Champs Chicken develops such VIP Programs, Franchisee will participate in such VIP Programs as Champs Chicken may direct.

9.6.2 In connection with such VIP Programs: (i) Franchisee acknowledges and agrees that Champs Chicken may modify all or any part of any VIP Program to adapt to changes in technology, the marketplace, economic conditions, business conditions, the hospitality profession, the Law, the demands of consumers, Champs Chicken's business needs, the needs of the System, and otherwise; (ii) Franchisee acknowledges and agrees that such modifications may include additions to, deletions from, and modifications to the VIP Programs; and modifications to any or all of the rules, guidelines, standards, specifications, plans, programs, and procedures related to the VIP Programs; (iii) Franchisee acknowledges and agrees that Franchisee expects Champs Chicken to change the VIP Programs; (iv) Franchisee covenants, warrants, represents, and agrees that Franchisee will comply with all rules, guidelines, standards, specifications, plans, programs, and procedures related to the VIP Programs as Champs Chicken adds to, deletes from, and modifies any or all of them from time to time; and (v) Champs Chicken acknowledges and agrees that such additions, deletions, and modifications will not materially and unreasonably increase Franchisee's obligations or decrease Franchisee's rights set forth in this Agreement.

9.6.3 Franchisee acknowledges and agrees that: (i) the VIP Programs will be deemed to be a part of the System for all purposes; (ii) Franchisee will pay any and all costs and expenses arising out of or related to its participation in such VIP Programs; and (iii) Franchisee will comply with all Laws related to the VIP Programs, including without limitation the Fair Credit Reporting Act, and laws governing privacy, consumer information, escheatment, and unclaimed property.

9.7 Internet Advertising; Social Media.

9.7.1 Champs Chicken's Internet Advertising. Champs Chicken will list Franchisee's Restaurant on any Internet site Champs Chicken maintains that lists franchised and Company-Owned Champs Chicken restaurants operating under the System to the same extent as Champs Chicken lists such other restaurants generally.

9.7.2 Franchisee's Internet Advertising. Franchisee may create, at Franchisee's sole cost and expense, an Internet site (Franchisee's "Internet Site") for the Restaurant. Such Internet Site must hyperlink off one or more Internet sites that Champs Chicken designates. Franchisee must use and publish all templates and forms Champs Chicken directs Franchisee to use and publish in connection with the Internet Site. Franchisee must submit to Champs Chicken all text, graphics, photographs, and other material (collectively, the "Internet Content") Franchisee proposes to use in connection with, or to publish on, the Internet Site, including all material modifications to the Internet Content, prior to such use or publication. Franchisee acknowledges and agrees that: (i) Champs Chicken has the right to approve, disapprove, and modify the Internet Content; (ii) Champs Chicken may format, upload, or hyperlink Franchisee's Internet Site to any other Internet site related to the System that Champs Chicken designates; and (iii) Champs Chicken may modify, use, print, publish, display, store, and transmit the Internet Content, and may authorize third parties to modify, use, print, publish, display, store, and transmit the Internet Content, all as Champs Chicken deems appropriate, without payment of any compensation to Franchisee. Franchisee acknowledges that as between Franchisee and Champs Chicken, Champs Chicken has the sole and exclusive ownership, right, title, and interest in and to all Internet Sites, domain names, and Internet Content related to the System.

9.7.3 Franchisee's Social Media Advertising. Franchisee may establish, at Franchisee's sole cost and expense, sites (collectively, the "Social Media Sites") on Facebook and other social media and social network services. Franchisee acknowledges and agrees that: (i) Champs Chicken has the right to disapprove or to require Franchisee to modify the text, graphics, photographs, and other material (collectively, the "Social Media Content") on any Social Media Site; (ii) all of Franchisee's Social Media Sites and Social Media Content must comply with Champs Chicken's rules, guidelines, standards, specifications, plans, programs, and procedures; (iii) Champs Chicken may hyperlink Franchisee's Social Media Sites to any other Internet site related to the System that Champs Chicken designates; and (iv) Champs Chicken may modify, use, print, publish, display, store, and transmit any of the Social Media Content, and may authorize third parties to modify, use, print, publish, display, store, and transmit any of the Social Media Content, all as Champs Chicken deems appropriate, subject to the requirements of the social network service that hosts the applicable Social Media Site, without payment of any compensation to Franchisee. Franchisee will keep Champs Chicken advised at all times of Franchisee's Social Media Sites' addresses and domain names. Franchisee acknowledges that:

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

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

9.7.3.3 The Social Media Content on each Social Media Site must meet the standards of propriety that Champs Chicken prescribes. Franchisee will monitor the Social Media Content on each Social Media Site. Franchisee will remove any Social Media Content that: (i) Champs Chicken deems inappropriate; (ii) Franchisee deems inappropriate; or (iii) a reasonable person would deem inappropriate, so that such removal is fully effected immediately on Champs Chicken's demand, or within twelve (12) hours after such Social Media Content is posted on the applicable Social Media Site, whichever is earlier. Notwithstanding the provisions set forth in Section 22.2 of this Agreement governing the delivery of notice, Champs Chicken's demand for such removal may be delivered: (a) verbally or in writing; and (b) by telephone, email, text message, facsimile transmission, in-person, or otherwise.

9.8 MDF Program: Reimbursement of Qualified Advertising Franchisee Publishes.

9.8.1 MDF Program. Champs Chicken has developed a program under which Champs Chicken will reimburse Franchisee for a portion of Franchisee's expenditures for qualified advertising Franchisee publishes. Champs Chicken refers to this program as the "MDF Program."

9.8.2 Definitions.

9.8.2.1 Accrual Fund. "Accrual Fund" shall mean the advertising fund or funds that Champs Chicken creates.

9.8.2.2 Advertising Claim. "Advertising Claim" shall mean a request for reimbursement that Franchisee submits to Champs Chicken, using the form Champs Chicken specifies, in the manner Champs Chicken specifies, requesting that Champs Chicken use amounts Franchisee has accrued in the Accrual Fund to reimburse Franchisee for Qualified Advertising Franchisee publishes. Such Advertising Claim must include: (i) proof that the Qualified Advertising for which Franchisee is requesting was in fact published; (iii) the date of such publication; (iii) the net amount Franchisee paid for such publication; and (iv) such other information as Champs Chicken may request.

9.8.2.3 Balance. "Balance" shall mean the amount Champs Chicken is holding in the Accrual Fund from Franchisee's net purchases of Branded Products. "Balance" shall not include amounts Champs Chicken is holding in the Accrual Fund for Champs Chicken's other franchisees' purchases of Branded Products or for any other reason.

9.8.2.4 Qualified Advertising. "Qualified Advertising" shall mean advertising in broadcast, print or electronic media, or any other advertising material or signage Champs Chicken approves for reimbursement with MDF Program funds, that: (i) Franchisee submits to Champs Chicken in the manner Champs Chicken specifies for its approval prior to purchase or publication; and (ii) Champs Chicken approves in writing.

9.8.3 Accrual Fund; Deposits Champs Chicken Makes into Accrual Fund. Champs Chicken will create the Accrual Fund. Champs Chicken will deposit nine percent (9.0%) of Franchisee's total net purchases of Branded Products into the Accrual Fund. Champs Chicken's affiliate Pro Food Systems, Inc. will provide Franchisee with an initial MDF contribution of One Thousand and No/100 Dollars ($1,000) to be used for advertising and promotional purposes for the Restaurant.

9.8.4 Reimbursement for Expenditures for Qualified Advertising. To receive reimbursement of expenditures Franchisee makes for purchase or publication of Qualified Advertising, Franchisee must submit an Advertising Claim to Champs Chicken. Franchisee must submit each Advertising Claim so that Champs Chicken actually receives it by the end of ninety (90) days after the Qualified Advertising that is the subject of the Advertising Claim was published.

9.8.4.1 If Champs Chicken approves the Advertising Claim, Champs Chicken will reimburse Franchisee for the amount of the Advertising Claim, up to the Balance Champs Chicken is holding for Franchisee in the Accrual Fund from Franchisee's net purchases of Branded Products.

9.8.4.2 Notwithstanding anything to the contrary set forth in this Agreement, Champs Chicken reserves the right to pay the amount of any Advertising Claim directly to the applicable supplier of advertising, and not to Franchisee.

9.8.4.3 In no event will Champs Chicken be required to reimburse Franchisee for any amount in excess of Franchisee's Balance in the Accrual Fund. In no event will Champs Chicken be required to pay any supplier of advertising any amount in excess of Franchisee's Balance in the Accrual Fund.

9.8.5 Reimbursement Date. Champs Chicken will pay Franchisee the amount of any Advertising Claim Champs Chicken may owe by the end of thirty (30) days after the end of each Program Quarter.

9.8.6 Expiration. Any portion of Franchisee's Balance in the Accrual Fund that is over one (1) Program Year old will be deducted from the Balance and will not be eligible to be used for reimbursement of an Advertising Claim. Champs Chicken will have the right to use such portion as it deems appropriate.

9.8.7 MDF Policies and Procedures. Champs Chicken's Standards and Specifications specifically include, without limitation, rules, guidelines, standards, specifications, plans, programs and procedures that Champs Chicken publishes in connection with the MDF Program (collectively, the "MDF Policies and Procedures"). Champs Chicken may add to, delete from and modify the MDF Policies and Procedures from time to time as it deems appropriate. Franchisee must comply with the MDF Policies and Procedures and all additions to, deletions from, and modifications of them.

9.8.8 Compliance with Agreements. Champs Chicken will not be required to pay any Advertising Claim under this Section 9.8: (i) if Champs Chicken has notified Franchisee of any non-compliance with this Agreement during the immediately preceding program-year; (ii) if Franchisee is, at the time Franchisee submits the Advertising Claim, in breach of this Agreement; (iii) if Franchisee or any of its affiliates are, at the time Franchisee submits the Advertising Claim, in breach of any other agreement to which Franchisee or any of its affiliates on the one hand, and Champs Chicken or any of its affiliates on the other hand, are parties; (iv) if Franchisee has not been in substantial compliance with this Agreement during so much of the Term of this Agreement as has expired; or (v) if Franchisee or any of its affiliates have not been in substantial compliance with all other agreements to which Franchisee or any of its affiliates on the one hand, and Champs Chicken or any of its affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. Champs Chicken will have the sole discretion to determine whether Franchisee or any of its affiliates are in breach of this Agreement or the other agreements described in this Section 9.8.8, or whether Franchisee or any of its affiliates have not been in substantial compliance with such agreements.

9.8.9 Ownership of Amounts. Franchisee acknowledges and agrees that all amounts set forth in Section 9.8.3 of this Agreement and otherwise are Champs Chicken's sole and exclusive property until Champs Chicken has actually paid the Advertising Claim related to such amounts.

9.8.10 Champs Chicken's Rights.

9.8.10.1 Champs Chicken reserves the right to discontinue the MDF Program at any time on notice to Franchisee, as Champs Chicken deems appropriate in its sole discretion. If Champs Chicken discontinues the MDF Program, Champs Chicken will pay all Advertising Claims as set forth in this Section 9.8 up to the amount of Franchisee's Balance in the Accrual Fund, subject to Section 9.8.6 ("Expiration") of this Agreement.

9.8.10.2 Champs Chicken may charge Franchisee a reasonable fee for advertising and marketing materials that Franchisee asks Champs Chicken to produce, or that Champs Chicken produces on Franchisee's behalf. Franchisee agrees that: (i) Champs Chicken may deduct the amount of these fees from Franchisee's account in the Accrual Fund; and (ii) if the amount in Franchisee's account in the Accrual Fund is not sufficient to pay the fees, Franchisee will pay Champs Chicken the amount Franchisee owes so that Champs Chicken actually receive the payment by the end of thirty (30) days after we request payment.

10. PRODUCTS, EQUIPMENT, SERVICES, SUPPLIES, AND MERCHANDISE

10.1 Proprietary Products. Champs Chicken specifies certain products, equipment, services, supplies, and merchandise that are developed by, proprietary to, or kept secret by Champs Chicken (collectively the "Proprietary Products"). Franchisee must purchase, license, or otherwise obtain such Proprietary Products only from Champs Chicken, from suppliers Champs Chicken designates, from suppliers Franchisee selects and Champs Chicken approves, or in accordance with Champs Chicken's written specifications. Champs Chicken may modify its specifications for Proprietary Products from time to time. Proprietary Products may include, but will not be limited to, the furniture, fixtures, equipment, décor, and signage Franchisee uses in the Restaurant; the ingredients, components, and finished products Franchisee uses in connection with the Products and Services; Champs Chicken's menus, point of purchase materials, promotional displays and items, marketing materials, and similar items; Champs Chicken's private-label office supplies; Champs Chicken's uniforms; and Champs Chicken's Private-Label Products. If Champs Chicken offers such Proprietary Products, Champs Chicken will offer them to Franchisee at substantially the same prices and on substantially the same terms as Champs Chicken offers them to similarly-situated franchisees. Champs Chicken warrants that any Proprietary Product Champs Chicken or its affiliates sell or license to Franchisee will meet Champs Chicken's specifications. Champs Chicken neither makes nor intends, nor does Champs Chicken authorize any agent or representative to make, any other warranty, express or implied, related to any Proprietary Product.

10.2 Non-Proprietary Products. Champs Chicken specifies certain products, equipment, services, supplies, and merchandise that are required for the operation of the Franchised Business (collectively the "Non-Proprietary Products"). Franchisee must purchase, license, or otherwise obtain such Non-Proprietary Products only from Champs Chicken or Champs Chicken's affiliates; from suppliers Champs Chicken designates; from suppliers Franchisee selects and Champs Chicken approves; or in accordance with Champs Chicken's written specifications. Champs Chicken may modify its specifications for Non-Proprietary Products from time to time. Non-Proprietary Products may include, but will not be limited to, Franchisee's computer hardware and software; and the cleaning supplies, consumables, and other materials Franchisee uses to maintain the Restaurant.

10.3 Disclaimer of Warranties. CHAMPS CHICKEN EXPRESSLY EXCLUDES AND DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AS TO ALL PRODUCTS, EQUIPMENT, SERVICES, SUPPLIES, AND MERCHANDISE CHAMPS CHICKEN OFFERS FOR SALE, SELLS, LICENSES, OR DELIVERS. FRANCHISEE'S SOLE AND EXCLUSIVE REMEDY AND CHAMPS CHICKEN'S SOLE AND EXCLUSIVE LIABILITY FOR ANY AND ALL CLAIMS AS TO ANY SUCH ITEM IS LIMITED TO THE PURCHASE PRICE OF THE ITEM AS TO WHICH THE CLAIM IS MADE, PLUS SHIPPING COSTS, IF ANY, FRANCHISEE PAID; OR AT CHAMPS CHICKEN'S OPTION, THE REPLACEMENT OF SUCH ITEM.

10.4 Approval of Alternative Suppliers.

10.4.1 Franchisee may request that Champs Chicken approve alternative suppliers and their products, equipment, services, supplies, or merchandise. Champs Chicken shall have no obligation to approve such suppliers or their products, equipment, services, supplies, or merchandise. Champs Chicken shall have the right to disapprove such suppliers and their products, equipment, services, supplies, and merchandise in Champs Chicken's sole and absolute discretion.

10.4.2 If Champs Chicken evaluates such suppliers and their products, equipment, services, supplies, and merchandise, it will do so in accordance with the following procedure: (i) Franchisee must submit a written request to Champs Chicken for approval, together with such samples, specifications, photographs, delivery terms, and other information as Champs Chicken may request; (ii) the proposed supplier must demonstrate, to Champs Chicken's reasonable satisfaction, that it is able to supply such products, equipment, services, supplies, and merchandise to Franchisee in compliance with Champs Chicken's specifications; and (iii) the proposed supplier must demonstrate that it is in good standing in the business community with respect to its financial soundness and integrity, and with respect to the reliability of the products, equipment, services, supplies, and merchandise it offers. Champs Chicken may test, analyze, inspect, and sample, at Franchisee's cost and expense, the products, equipment, services, supplies, and merchandise of any supplier Franchisee proposes to use, regardless of whether Champs Chicken approves or rejects such supplier as a source of supply. Champs Chicken will give Franchisee notice of Champs Chicken's approval or disapproval by the end of thirty (30) days after Champs Chicken receives the last information Champs Chicken requests in order to perform such evaluation. Champs Chicken may revoke its approval of any supplier, product, equipment, service, supply, or merchandise. If Champs Chicken revokes such approval, Champs Chicken will give Franchisee written notice of such revocation. If Champs Chicken gives Franchisee written notice of such revocation, Franchisee must cease all use of such supplier, product, equipment, service, supply, or merchandise by the end of the time Champs Chicken specifies, which may be immediately.

10.5 Shipment: Release. If Champs Chicken or any of its affiliates arranges shipment of products, equipment, services, supplies, or merchandise to Franchisee: (i) such arrangement is a gratuitous accommodation for Franchisee's convenience; and (ii) Champs Chicken and its affiliates will have no duty, responsibility, or liability related to the selection, acts, or omissions of any carrier.

10.6 Obligations on Franchisee's Breach. If Franchisee or any of its affiliates is in breach of any agreement to which Champs Chicken or any of its affiliates on the one hand, and Franchisee or any of its affiliates on the other hand, are parties, Champs Chicken and its designee will have no obligation to sell any products, equipment, services, supplies, or merchandise to Franchisee; and Franchisee will not, as a result, have: (i) a defense at law or in equity or otherwise based on impossibility or impracticability of Franchisee's performance; or (ii) any claim against Champs Chicken or its designee.

10.7 VIR Program: Cash Rebates to Franchisee for Purchases Franchisee Makes.

10.7.1 VIR Program. Champs Chicken has developed a program under which Champs Chicken will pay Franchisee a rebate based on Franchisee's purchases of Branded Products. Champs Chicken refers to this program as the "VIR Program".

10.7.2 Amount of Rebate. The amount of the rebate Champs Chicken pays Franchisee under the VIR will be equal to six percent (11%) of Franchisee's total net purchases of Branded Products per Program Quarter.

10.7.3 Example. As an example of the rebate calculation, assume Franchisee's total net purchases of Branded Products during Program Quarter One (1) are $100,000. Champs Chicken would pay Franchisee a rebate of $11,000 (i.e., $100,000 x .11).

10.7.4 Payment Date. Champs Chicken will pay Franchisee the amount of the rebate Champs Chicken may owe by the end of the fifteenth (15th) day of the Program Quarter for Franchisee's purchase of Branded Products during the immediately preceding Program Quarter.

10.7.5 Compliance with Agreements. Champs Chicken will not be required to pay Franchisee any VIR: (i) if Champs Chicken has notified has notified Franchisee of any non-compliance with this Agreement during the immediately preceding Program Year; (ii) if Franchisee is, at the end of the Program Quarter, or on the date Champs Chicken is required to pay to Franchisee the rebate, in breach of this Agreement; (ii) if Franchisee or any of its affiliates are, at the end of the Program Quarter, or on the date Champs Chicken is required to pay Franchisee the rebate, in breach of any other agreement to which Franchisee or any of its affiliates on the one hand, and Champs Chicken or any of its affiliates on the other hand, are parties; (iv) if Franchisee has not been in substantial compliance with this Agreement during so much of the Term of this Agreement as has expired; or (v) if Franchisee or any of its affiliates have not been in substantial compliance with all other agreements to which Franchisee or any of its affiliates on the one hand, and Champs Chicken or any of its affiliates on the other hand, are parties, during so much of the terms of such agreements as have expired. Champs Chicken will have the sole discretion to determine whether Franchisee or any of its affiliates are in breach of this Agreement or the other agreements described in this Section 10.7.5, or whether Franchisee or any of its affiliates have not been in substantial compliance with such agreements.

10.7.6 Ownership of Amounts. Franchisee acknowledges and agrees that: (i) all amounts set forth in Section 10.7.2 of this Agreement and otherwise are Champs Chicken's sole and exclusive property until Champs Chicken has actually paid the rebate related to such amounts to Franchisee; and (ii) if Franchisee is not entitled to a rebate pursuant to Section 10.7.5 or otherwise, all amounts related to such rebate will remain Champs Chicken's sole and exclusive property and Franchisee will not have any rights to them.

10.7.7 Champs Chicken's Rights. Champs Chicken reserves the right: (i) to add to, delete from, and modify the rebate percentage detailed in Section 10.7.2; and (ii) to discontinue the VIR Program, at any time, on notice to Franchisee, all as Champs Chicken deems appropriate in its sole discretion. If Champs Chicken discontinues the VIR Program, Champs Chicken will pay Franchisee the amount of the rebate Franchisee earned through the date Champs Chicken discontinues the VIR Program as set forth in this Section 10.7 of this Agreement.

11. **PROPRIETARY MARKS**

11.1 Goodwill in Marks; Ownership of Marks.

11.1.1 Franchisee acknowledges and agrees that: (i) there is substantial and valuable goodwill in the Marks; (ii) the substantial and valuable goodwill in the Marks imposes significant responsibilities on Franchisee to comply with Champs Chicken's rules, guidelines, standards, specifications, plans, programs, and procedures; (iii) as between Franchisee and Champs Chicken, Champs Chicken owns all right, title, and interest in and to the Marks and all goodwill related to the Marks; and (iv) Franchisee has no right, title, or interest of any nature or kind in or to the System, including without limitation the Marks and the goodwill associated with the Marks, except the limited, revocable, non-exclusive license to use the System as set forth in this Agreement.

11.1.2 Franchisee covenants, warrants, represents, and agrees that: (i) Franchisee's use of the Marks, and all goodwill related to such use, will inure solely to the benefit of Champs Chicken; (ii) Franchisee's use of the Marks will not inure to the benefit of any person or other entity except Champs Chicken; (iii) the goodwill related to Franchisee's use of the Marks will not inure to the benefit of any person or other entity except Champs Chicken; and (iv) neither Franchisee nor any of Franchisee's Principals or affiliates will contest the validity of the Marks, Champs Chicken's ownership of the Marks, or Champs Chicken's ownership of the goodwill related to the Marks, at any time during or after the Term of the Franchise.

11.2 Franchisee's Use of Marks. Franchisee covenants, warrants, represents, and agrees that: (i) Franchisee will use and display the Marks only in relation to the operation of the Restaurant; (ii) Franchisee will use and display the Marks only in the form, manner, and locations that Champs Chicken specifically approves or directs; and (iii) Franchisee will apply the "®" symbol to all registered Marks, the appropriate "TM" or "SM" symbol to all non-registered Marks, and the "©" symbol to all copyrighted material.

11.3 Restrictions on Franchisee's Use of Marks. Franchisee covenants, warrants, represents, and agrees that unless Champs Chicken expressly authorizes Franchisee to do so in writing, Franchisee will not: (i) use or display the Marks in relation to any business or activity other than the operation of the Restaurant; (ii) use any trademark, trade name, service mark, logotype, other commercial symbol, or trade dress, other than the Marks, as a primary identifier of the Restaurant; (iii) offer for sale or sell the Products and Services, or any other products, equipment, services, supplies, or merchandise, under the Marks, except as set forth in this Agreement; (iv) use or display the Marks except in the form, manner, and locations that Champs Chicken specifically approves or directs; (v) use or register any Mark, any part of any Mark, or anything similar, as part of Franchisee's name or the name of any entity related to Franchisee's activities, except for the fictitious name registration required under Section 14.1 of this Agreement; (vi) use or register any Mark, any part of any Mark, or anything similar, as a part of any Internet domain name, social media site name, user name, or like name; (vii) use any Mark in any manner that may injure or disparage Champs Chicken or Champs Chicken's reputation; or (viii) take any action that may harm or jeopardize any Mark, or Champs Chicken's ownership of such Mark, in any way.

11.4 Defense of Marks; Indemnification.

11.4.1 Champs Chicken will defend the Marks and will bear all costs of such defense. Franchisee will notify Champs Chicken promptly in writing of any potentially infringing uses by others, and of any suits or claims against Franchisee, related to the Marks, and will cooperate fully with Champs Chicken in the defense of the Marks. If Franchisee has provided the notice and cooperation this Section 11.4 requires, Champs Chicken will indemnify Franchisee against, and will reimburse Franchisee for, all direct damages (but not for loss of future revenue and consequential, special, multiplied, enhanced, exemplary, or punitive damages) and expenses Franchisee incurs due to any unfair competition or infringement claim any third party brings against Franchisee that arises out of Franchisee's proper use of the Marks. Champs Chicken will have sole discretion over the protection and defense of any Mark and the settlement of any claim related to any Mark. Franchisee will take no action with regard to such protection or defense, and will not commence any suit or proceeding related to the System, without Champs Chicken's prior express written consent.

11.4.2 Franchisee will notify Champs Chicken of any use of, or any claim of rights to, any mark identical to, or confusingly similar to, any Mark.

11.5 Modifications to Marks. Champs Chicken may at any time, on notice to Franchisee, make additions to, deletions from, and modifications to the Marks, at Champs Chicken's absolute discretion, and Franchisee must adopt and use any and all such additions, deletions, and modifications pursuant to Champs Chicken's direction, at Franchisee's sole cost and expense.

11.6 Signage Reimbursement. Notwithstanding anything set forth in Section 11.5 of this Agreement to the contrary, Champs Chicken will not change the primary name of the System from "Champs Chicken" or require Franchisee to change Franchisee's approved Champs Chicken signage to some other primary name for a period of two (2) years after the Effective Date of this Agreement unless Champs Chicken reimburses Franchisee for the cost of converting Franchisee's approved Champs Chicken signage to signage using such other primary name. If Champs Chicken is required to reimburse Franchisee for a signage change pursuant to this Section 11.6, Champs Chicken will reimburse Franchisee for the actual cost to obtain replacement signage from signage suppliers Champs Chicken designates; provided, however, such reimbursement will be limited to: (i) Eight Thousand and No/100 Dollars ($8,000) per Restaurant; and (ii) Twenty-Four Thousand and No/100 Dollars ($24,000) in the aggregate (the "Signage Reimbursement").

11.7 No Liability for Modifications to Marks. Champs Chicken shall not be liable to Franchisee or any other party for any loss, expense, liability, damage, or damages, however characterized, and whether actual, consequential, incidental, special, multiplied, enhanced, exemplary, punitive, or otherwise, for any such additions to, deletions from, or modifications to the Marks; including, without limitation, loss of profits, earnings, revenue, business, or expectancies, except for the Signage Reimbursement.

12. CONFIDENTIAL OPERATIONS MANUAL

12.1 Operations Manual. Champs Chicken will provide Franchisee, on loan, with one copy of Champs Chicken's Operations Manual.

12.2 Compliance. Franchisee will comply with all rules, guidelines, standards, specifications, plans, programs, and procedures Champs Chicken prescribes in the Operations Manual.

12.3 Supplements to the Manual. Champs Chicken may add to, delete from, and modify the Operations Manual (such additions, deletions, and modifications being referred to collectively in this Agreement as the "Supplements to the Manual"). Franchisee acknowledges and agrees that: (i) all such Supplements to the Manual will be deemed, for all purposes, to be a part of the Operations Manual; (ii) all such Supplements to the Manual will become binding on Franchisee on delivery to Franchisee or at such later date as Champs Chicken may designate in order to give Franchisee the advance notice Champs Chicken deems necessary to implement the change; and (iii) Franchisee will comply with, by such date as Champs Chicken may specify, which may be immediately, all rules, guidelines, standards, specifications, plans, programs, and procedures Champs Chicken prescribes in the Supplements to the Manual.

12.4 Presentation of Operations Manual: Media. Champs Chicken may deliver the Operations Manual, including without limitation the Supplements to the Manual, in any medium Champs Chicken deems appropriate, including without limitation: (i) online; (ii) in CD-ROM or similar electronic medium; (iii) by paper copy; or (iv) otherwise. Champs Chicken may change such medium as Champs Chicken deems appropriate.

12.5 Ownership of System and Operations Manual. Franchisee acknowledges and agrees that: (i) Champs Chicken owns the System, including without limitation the Operations Manual, and all proprietary matters contained in or related to it; and (ii) the Operations Manual will at all times remain Champs Chicken's sole and exclusive property.

12.6 Master Copy of Operations Manual. Franchisee covenants, warrants, represents, and agrees that: (i) Franchisee will ensure at all times that Franchisee's copy of the Operations Manual is current and up-to-date; and (ii) if there is any dispute as to Franchisee's compliance with the provisions of the Operations Manual, the master copy of the Operations Manual that Champs Chicken maintains will control.

13. CHAMPS CHICKEN'S RESPONSIBILITIES

13.1 Initial Training Fee.

13.1.1 Amount of Initial Training Fee. Franchisee will pay Champs Chicken an initial training fee (the "Initial Training Fee"). The amount of the Initial Training Fee will be an amount within the range set forth in the Franchise Summary of this Agreement. The amount of the Initial Training Fee will depend on the size of Franchisee's Restaurant, the location of Franchisee's Restaurant, Franchisee's experience as a restaurant operator, the number of other restaurants Franchisee operates under the System, the number of restaurants Franchisee operates under other systems Champs Chicken or Champs Chicken's affiliates may develop, the number of Franchisee's personnel to be trained, the experience of Franchisee's personnel to be trained, food and lodging expenses in the area where Franchisee's Restaurant is located, travel expenses, and other factors.

13.1.2 Determination of Amount. Champs Chicken will confer with Franchisee in good faith to come to an agreement about the amount of the Initial Training Fee. If Franchisee and Champs Chicken cannot agree on the amount of the Initial Training Fee, Champs Chicken's decisions will control.

13.1.3 Payment of Initial Training Fee. Franchisee will pay Champs Chicken the Initial Training Fee before Franchisee commences training. The Initial Training Fee, once paid, shall be deemed fully-earned and nonrefundable, in consideration of the administrative and other expenses Champs Chicken incurs in connection with scheduling and coordinating Franchisee's training, Champs Chicken's lost or deferred opportunity to train others, and other factors.

13.2 Principal Training, Manager Training. Champs Chicken will provide Franchisee with Champs Chicken's training for Principals (the "Principal Training") and Managers (the "Manager Training"). Champs Chicken's fees for Principal Training and Manager Training are included in the Initial Training Fee.

13.2.1 Franchisee will appoint one or more proposed Managers (as defined in Section 1.9 of this Agreement).

13.2.2 Franchisee or at least one of Franchisee's Principals (if Franchisee is a business entity), and such other individuals in employment capacities as Champs Chicken may specify, must attend and complete the Principal Training to Champs Chicken's satisfaction.

13.2.3 At least one of Franchisee's Managers, and such other individuals in employment capacities as Champs Chicken may specify, must attend and complete the Manager Training to Champs Chicken's satisfaction.

13.2.4 The Principal Training and Manager Training will include such training as Champs Chicken deems necessary or beneficial to Franchisee's operation of the Restaurant.

13.2.5 Franchisee may send a reasonable number of Principals to Principal Training during the Term of this Agreement at no additional charge. Franchisee may send a reasonable number of Managers to Manager Training during the Term of this Agreement at no additional charge. If Champs Chicken determines that Franchisee is sending an unreasonable number of attendees, Champs Chicken may charge Franchisee a reasonable fee to train the additional attendees. Champs Chicken will list its current prices for Principal Training and Manager Training in the Operations Manual.

13.2.6 If the Restaurant is the first restaurant Franchisee develops, opens, or operates under the System:

13.2.6.1 At least one of Franchisee's Principals must attend and complete the Principal Training to Champs Chicken's satisfaction: (i) by the end of one hundred twenty (120) days after the Effective Date of this Agreement; or (ii) before Franchisee opens the Restaurant, whichever is sooner.

13.2.6.2 At least one of Franchisee's Managers must attend and complete the Manager Training to Champs Chicken's satisfaction: (i) by the end of one hundred twenty (120) days after the Effective Date of this Agreement; or (ii) before Franchisee opens the Restaurant, whichever is sooner.

13.2.7 If Franchisee operates other restaurants under the System, Franchisee's personnel required to attend the initial Manager Training must attend and complete such training to Champs Chicken's satisfaction before Franchisee opens the Restaurant.

13.2.8 If Champs Chicken extends Franchisee's Opening Date as set forth in Section 8.2 of this Agreement or otherwise, Champs Chicken may require Managers who previously received Manager Training to attend and complete to Champs Chicken's satisfaction such additional training or refresher training as Champs Chicken may prescribe.

13.2.9 If Franchisee has six (6) or more Restaurants under the System, Franchisee must have an Area Director. Such Area Director will be responsible for planning, organizing, controlling, and staffing the management and operation of the Restaurants and such other duties as Franchisee may prescribe. If Franchisee's Area Director has not already successfully completed Manager Training, Franchisee's Area Director must attend and complete Manager Training to Champs Chicken's satisfaction before beginning his or her Area Director duties.

13.2.10 Franchisee and Champs Chicken expect turnover in, additions to, changes to, and replacement of Franchisee's personnel whom Champs Chicken requires to complete Principal Training and Manager Training. All of Franchisee's personnel are required to attend Principal Training and Manager Training as a result of such additions, changes, and replacement must attend Champs Chicken's next regularly-scheduled Principal Training or Manager Training as Champs Chicken may require, and complete such training to Champs Chicken's satisfaction.

13.2.11 Champs Chicken may certify Franchisee's Restaurant as a training restaurant (a "Certified Training Restaurant"). To become a Certified Training Restaurant, Franchisee's Restaurant must meet the criteria Champs Chicken specifies. Once certified, such Certified Training Restaurant may train

Franchisee's Managers, thus reducing Franchisee's costs and expenses related to training new management personnel. Champs Chicken may revoke the status of the Restaurant as Certified Training Restaurant if Champs Chicken determines that the Restaurant's operations are inconsistent with the requirements of a Certified Training Restaurant.

13.3 Opening Assistance.

13.3.1 Opening Coordinator. If the Restaurant is the first restaurant Franchisee develops, opens, or operates under the System, after at least one (1) Principal has successfully completed Principal Training and one (1) Manager has successfully completed Manager Training, Champs Chicken will furnish a representative (the "Opening Coordinator") to Franchisee's Restaurant for a period of at least two (2) days. Such Opening Coordinator will provide Franchisee with advice, including without limitation advice related to: (i) implementing internal controls; (ii) hiring employees; (iii) training employees; (iv) purchasing products, equipment, services, supplies, and merchandise; (v) following accounting procedures; (vi) implementing the System; (vii) evaluating Franchisee's initial business operations and marketing plans; and (viii) other matters. Champs Chicken's fee for such Opening Coordinator, including such Opening Coordinator's travel, food, lodging, and other costs and expenses, is included in the Initial Training Fee.

13.3.2 Opening Training Team: Franchisee's Initial Restaurant.

13.3.2.1 If the Restaurant is the first restaurant Franchisee develops, opens, or operates under the System, Champs Chicken will furnish Franchisee with an opening training team (the "Opening Training Team"). The Opening Training Team will work at Franchisee's initial Restaurant immediately before and after the opening of the Restaurant, for a period of at least two (2) days. Champs Chicken will determine the size of the Opening Training Team, based on: (i) the size of Franchisee's Restaurant; (ii) the location of Franchisee's Restaurant; (iii) Franchisee's experience as a restaurant operator; (iv) the number of restaurants Franchisee operates under other systems Champs Chicken or Champs Chicken's affiliates may develop; and (v) other factors. Champs Chicken will be responsible for making all travel, food, and lodging arrangements of the Opening Training Team members. Champs Chicken's fee for the Opening Training Team, including such Opening Training Team's travel, food, lodging, wage, benefit, and other costs and expenses, is included in the Initial Training Fee.

13.3.2.2 Franchisee will staff the Restaurant with its employees to train with, and to assist, the Opening Training Team. Notwithstanding anything set forth in Section 13.3.2.1 of this Agreement to the contrary, the travel, food, lodging, wage, benefit, and other costs and expenses Champs Chicken incurs because Franchisee did not provide the employees Champs Chicken requires are not included in the Initial Training Fee, and will be in addition to the amount of the Initial Training Fee. Franchisee will reimburse Champs Chicken the amount of such travel, food, lodging, wage, benefit, and other costs and expenses so that Champs Chicken actually receives such reimbursement by the end of ten (10) days after Champs Chicken's request for reimbursement.

13.3.3 Opening Training Team: Franchisee's Second or Subsequent Restaurant. If the Restaurant is the second or subsequent Restaurant Franchisee develops, opens, or operates under the System, Champs Chicken may provide Franchisee with limited training team assistance, and Franchisee's other restaurants will supply the majority of the training assistance.

13.4 Additional Training. Champs Chicken may develop additional training that Champs Chicken believes would benefit the System (the "Additional Training"). If Champs Chicken develops such Additional Training, Champs Chicken may designate such training as "optional" or "mandatory." If Champs Chicken designates such Additional Training as mandatory, Franchisee and such of Franchisee's

Principals, Managers, and other personnel Champs Chicken specifies must attend and complete such training to Champs Chicken's satisfaction, at the times Champs Chicken specifies. Champs Chicken reserves the right to charge a reasonable fee for such Additional Training; provided, however, such fee will not exceed Champs Chicken's costs of developing and conducting the Additional Training, including Champs Chicken's costs related to attending such training. The fee for Additional Training is not included in the Initial Training Fee, and will be in addition to the amount of the Initial Training Fee.

13.5 Conventions. Champs Chicken may, at its option, conduct an annual conference or convention (a "Convention"). Champs Chicken may combine the Convention for the System with conventions of other systems Champs Chicken or Champs Chicken's affiliates may develop. Champs Chicken reserves the right to charge a reasonable fee for staging such Convention; provided, however, such fee will not exceed Champs Chicken's costs of developing and conducting the Convention, including Champs Chicken's costs related to attending such Convention.

13.6 GRITT Summit and Franchise Advisory Meeting. Champs Chicken may require Franchisee to attend an annual GRITT Summit and Franchise Advisory Meeting, which may be provided through a parent, affiliate or other third-party. The GRITT Summit and Franchise Advisory Meeting may be held with franchisees of Champs Chicken's affiliated companies. Franchisee shall be required to pay the costs of any registration fees associated with the GRITT Summit or Franchise Advisory Meeting, which Franchisee acknowledges and agrees may, at Champs Chicken's option, be paid directly to Champs Chicken's parent, affiliate or other third party. Franchisee's Principal(s) or Manager(s) must attend and complete the GRITT Summit and Franchise Advisory Meeting. Franchisee further acknowledges that, as of the date of this Agreement, the GRITT Summit and Franchise Advisory Meeting are held simultaneously; however, this arrangement is subject to change in Champs Chicken's discretion.

13.7 Training and Conventions: Miscellaneous.

13.7.1 Franchisee will pay all expenses Franchisee and its designated attendees incur related to attending the Principal Training, Manager Training, Opening Training, any Additional Training, Champs Chicken's Convention, GRITT Summit, and Franchise Advisory Meeting; which expenses may include, but will not be limited to, travel, food, lodging, wage, benefit, and other costs and expenses.

13.7.2 Except for the Opening Assistance described in Section 13.3 of this Agreement, Champs Chicken will determine the location, duration, and program of any training Champs Chicken conducts, and the Convention.

13.7.3 Champs Chicken will not pay any compensation for any services Franchisee or Franchisee's attendees perform in the course of any training.

13.7.4 Champs Chicken reserves the right to train any number of attendees from any number of restaurants at any training Champs Chicken conducts, at the same time as Champs Chicken trains Franchisee's attendees.

13.7.5 Champs Chicken may train attendees from other systems Champs Chicken, or its affiliates may develop, at the same time as Champs Chicken trains Franchisee's attendees.

13.8 Inability of Franchisee's Personnel to Complete Training.

13.8.1 If Champs Chicken determines that any Principal Champs Chicken requires to attend Principal Training or any other mandatory training Champs Chicken designates is unable to complete such training to Champs Chicken's satisfaction after two (2) attempts, Franchisee will designate another

Principal to attend Champs Chicken's next regularly-scheduled training. If there is no other Principal, or if such replacement Principal is unable to complete such training to Champs Chicken's satisfaction after two (2) attempts, Champs Chicken will have the right to terminate this Agreement pursuant to Section 20.4.5 of this Agreement.

13.8.2 Subject to Franchisee's rights with respect to a Principal set forth in Section 13.8.1 of this Agreement, if Champs Chicken determines that any person, other than a Principal, whom Champs Chicken requires to attend Manager Training, mandatory Additional Training, or any other mandatory training Champs Chicken designates, is unable to complete such training to Champs Chicken's satisfaction, Franchisee will not hire or continue the employment of such person in any capacity that requires such person to complete such training to Champs Chicken's satisfaction.

13.9 Consultation. Champs Chicken will make available to Franchisee such consultation (the "Consultation") as Champs Chicken deems appropriate. Such Consultation may include, without limitation, specialized advice related to the operation of the Restaurant, on-site reviews of Franchisee's operations, the furnishing of supplemental training or retraining as needed for Franchisee's Managers and other personnel, and such other assistance as Franchisee may request. Champs Chicken may charge a reasonable fee for such Consultation. Franchisee and Champs Chicken will agree on the fee for such Consultation before Champs Chicken delivers such Consultation.

13.10 Continuing Assistance. Champs Chicken will make available to Franchisee, at no additional charge: (i) subject to the availability of Champs Chicken's personnel, at times Champs Chicken determines, with reasonable periodic or continuing individual or group assistance and consultation, including consultation regarding development of products and services Franchisee will offer; hiring and training employees; improving and developing the Restaurant; establishing and using administrative, bookkeeping, accounting, and inventory control procedures; resolving operating problems Franchisee may encounter; and other data and advice, which Champs Chicken may provide by personal visit, telephone, newsletter, bulletin, electronic media, or otherwise, as Champs Chicken deems appropriate; and (ii) with such bulletins, brochures, and reports as Champs Chicken may from time to time publish regarding Champs Chicken's plans, policies, marketing research, testing, developments, and activities (collectively, the "Assistance").

13.11 Test Marketing. Champs Chicken may from time-to-time conduct market research and testing to determine consumer trends and the marketability of new products, equipment, services, supplies, and merchandise (collectively, the "Test Products"). Franchisee will assist Champs Chicken with such market research and testing by participating in any such programs as Champs Chicken may require, at Franchisee's sole cost and expense. Such assistance may include, without limitation: (i) test-marketing Test Products through the Restaurant as Champs Chicken may direct; (ii) providing Champs Chicken with timely reports and other relevant information Champs Chicken may request regarding such test-marketing; and (iii) effectively promoting and making reasonable efforts to sell such Test Products.

13.12 Pricing. Champs Chicken may offer Franchisee guidance related to prices for the Products and Services. Champs Chicken reserves the right to prescribe prices Franchisee may charge, to the extent permitted by Law.

14. FRANCHISEE'S RESPONSIBILITIES

14.1 Fictitious Name. There are two types of company names: (i) the company's "fictitious" name (the "d/b/a" name; e.g., "Champs Chicken of [Franchisee's Community]"); and (ii) the company's legal name (e.g., "ABC Corp.").

14.1.1 Franchisee will file for and maintain a Certificate of Fictitious Name under the name "Champs Chicken of [Franchisee's Community]" as required by the jurisdiction where Franchisee's Territory is located. Franchisee will operate Franchisee's Restaurant using such fictitious name as its principal name. Franchisee will, at Franchisee's sole cost and expense, file all materials and procure all governmental approvals, permits, and registrations required to do business under such fictitious name.

14.1.2 Except as otherwise set forth in Section 14.1.1 of this Agreement, if Franchisee is a business entity, Franchisee will not use the Marks, or any words or symbols confusingly similar thereto, including without limitation "Champs Chicken," or any other words that are all or a part of the Marks, in Franchisee's legal name.

14.2 Maintenance of Approved Location and Restaurant. Franchisee will, at all times during the Term, at Franchisee's sole cost and expense, maintain Franchisee's Approved Location, Franchisee's Restaurant, and all of Franchisee's furniture, fixtures, equipment, décor, and signage related to the Franchised Business, and such of Franchisee's other items as Champs Chicken may specify, in the highest state of cleanliness, maintenance, condition, and repair.

14.3 Compliance with Laws. Franchisee will develop, open, and operate the Franchised Business in compliance with all Laws. In connection therewith, Franchisee will: (i) duly file all tax returns Franchisee is required to file; (ii) duly pay all taxes Franchisee is obligated to pay; and (iii) obtain and maintain in good standing all necessary licenses, permits, and other required forms of governmental approval required in order to operate the Franchised Business.

14.4 Patriot Act Certification. Franchisee hereby covenants, warrants, represents, agrees, and certifies to Champs Chicken that neither Franchisee nor any of Franchisee's affiliates, nor any of Franchisee's or such affiliates' directors, officers, shareholders, partners, members, employees, or agents, nor any other direct or indirect holders of any interest in any of the foregoing: (i) are or have been listed on any Government Lists (as defined in Section 14.4.1 of this Agreement); (ii) are or have been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001), or any other similar prohibitions contained in the rules and regulations of OFAC (as defined in Section 14.4.2 of this Agreement) or in any enabling legislation or other Presidential Executive Orders in respect thereof; or (iii) have been indicted for or convicted of any offenses under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the "USA Patriot Act"). As used in this Section 14.4, the following definitions shall apply:

14.4.1 "Government Lists" shall mean any of the following lists: (i) the "Specially Designated Nationals and Blocked Persons List" maintained by OFAC; (ii) any other list of terrorists, terrorist organizations, or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC; or (iii) any similar list maintained by the United States Department of State, the United States Department of Commerce, or any other governmental authority, or pursuant to any Executive Order of the President of the United States of America.

14.4.2 "OFAC" shall mean the Office of Foreign Assets Control, United States Department of the Treasury, or any successor office or agency.

14.5 Managers; Franchisee's Participation in Operation of Franchised Business.

14.5.1 Franchisee will cause each individual whom Franchisee desires to employ as Manager to undergo such background investigations, aptitude screenings, drug tests, and other screenings and tests as Champs Chicken may prescribe, at Franchisee's sole cost and expense. Franchisee will not employ any individual as Manager who has not passed such investigations, screenings, and tests, or who does not satisfy such other criteria as Champs Chicken may prescribe. Franchisee acknowledges and agrees that: (i) any investigations, screenings, and tests Champs Chicken prescribes are intended solely to ensure that Champs Chicken's interests are adequately protected; (ii) Champs Chicken is not requiring such investigations, screenings, and tests for Franchisee's benefit; (iii) such investigations, screenings, and tests will not replace Franchisee's due diligence investigations as to any individual Franchisee desires to employ; and (iv) Champs Chicken will have no responsibility or liability to Franchisee, to the proposed Manager, or to any other person or entity, arising out of or related to such investigations, screenings, and tests.

14.5.2 Each Manager will: (i) devote his or her full time and best efforts to the management and growth of the Franchised Business; (ii) have day-to-day management responsibility for the Restaurant; and (iii) personally participate in the direct operation of the Restaurant.

14.5.3 If Franchisee is an individual, Franchisee may serve as Manager and Franchisee may employ one or more other Managers. If Franchisee is a business entity, Franchisee will employ one or more Managers.

14.5.4 Each Manager Franchisee employs must successfully complete the training Champs Chicken requires, as set forth in Section 13.2 and Section 13.4 of this Agreement.

14.5.5 Franchisee will inform Champs Chicken in writing as to the identity of all Managers, including all additions to and successors of them or any of them.

14.5.6 If a Manager dies or becomes disabled, or on the termination of employment of a Manager for any reason, Franchisee will immediately notify Champs Chicken of such death, disability, or termination.

14.5.7 Franchisee will have a Manager who has successfully completed Champs Chicken's Manager Training physically present at Franchisee's Restaurant at all times the Restaurant is open for business.

14.6 Requirements Related to Operation of Franchised Business. Franchisee covenants, warrants, represents, and agrees that:

14.6.1 Franchisee will cause all operations of the Franchised Business to be conducted, and Franchisee will conduct itself, at all times, in compliance with the System, including without limitation all rules, guidelines, standards, specifications, plans, programs, and procedures Champs Chicken may from time to time establish, in the Operations Manual and otherwise, as though all such rules, guidelines, standards, specifications, plans, programs, and procedures were specifically set forth in this Agreement.

14.6.2 Franchisee will not develop, open, or operate any business other than the Franchised Business. Franchisee will confine its activities solely and exclusively to the development, opening, and operation of the Franchised Business. Franchisee will confine the operation of the Franchised Business solely and exclusively to the development, opening, and operation of Franchisee's Champs Chicken Restaurants.

14.6.3 Franchisee will not use the "Champs Chicken" name, the other Marks, or any association with any or all of them, for the benefit of any business other than the Franchised Business.

14.6.4 Franchisee will offer for sale and sell all Products and Services that Champs Chicken directs Franchisee to offer for sale and sell. Franchisee will not offer for sale or sell any products, equipment, services, supplies, or merchandise that: (i) Champs Chicken has not authorized Franchisee to offer for sale or sell; or (ii) Champs Chicken has directed Franchisee not to offer for sale or sell.

14.6.5 Franchisee will keep the Restaurant open for business and in normal operation during the days and hours Champs Chicken specifies (the "Minimum Days and Hours of Operation"). Champs Chicken may add to, delete from, and modify such Minimum Days and Hours of Operation from time to time on notice to Franchisee. All such Minimum Days and Hours of Operation are subject to Laws to the contrary.

14.6.6 Franchisee will: (i) deal fairly and honestly with Champs Chicken; (ii) deal fairly and honestly with Champs Chicken's affiliates; (iii) deal fairly and honestly with all guests; (iv) deal fairly and honestly with all suppliers and vendors; (v) render prompt, courteous, and willing service; (vi) meet the minimum standards of business ethics adopted by the local chapter of the Better Business Bureau, or a similar organization acceptable to Champs Chicken, operating in Franchisee's Territory; (vii) notify Champs Chicken promptly of any complaint filed against Franchisee with the Better Business Bureau or such other organization, and will use Franchisee's best efforts to resolve the complaint promptly to Champs Chicken's reasonable satisfaction; and (viii) conduct itself and operate the Franchised Business in a manner that will promote a good public image, and will, consistent with the foregoing, properly respond to all complaints and take such other steps as may be necessary or beneficial to promote positive public relations.

14.6.7 Franchisee will pay promptly when due all amounts Franchisee owes Champs Chicken and Champs Chicken's affiliates.

14.6.8 Franchisee will pay promptly when due all amounts Franchisee owes all suppliers and vendors.

14.6.9 Franchisee will pay promptly when due all taxes and other amounts Franchisee owes in relation to the Franchised Business, including without limitation all federal, state, and local taxes, and all accounts payable of any nature.

14.6.10 Franchisee will timely submit to Champs Chicken such reports, evaluations, and operational information as Champs Chicken may request, which reports, evaluations, and operational information may include, without limitation, evaluations of: (i) the Products and Services; (ii) Champs Chicken and Champs Chicken's affiliates; (iii) Franchisee and its affiliates; (iv) safety procedures; and (v) such other matters as Champs Chicken may designate.

14.6.11 Franchisee will employ such personnel as may be required for the optimal operation of the Franchised Business, and will train and properly supervise all such personnel.

14.6.12 Franchisee will stock the Restaurant with, and will maintain in the inventory of the Restaurant, such products, equipment, services, supplies, and merchandise as Champs Chicken may require.

14.7 Computer and Electronic Cash Register Systems. Franchisee will obtain and install, at Franchisee's sole cost and expense: (i) all computer and electronic cash register hardware and software Champs Chicken requires; and (ii) all peripherals, power lines, dedicated telephone lines, and communications links that meet Champs Chicken's specifications. Franchisee will use such computer system and software for interactive training, for accounting and bookkeeping, for scheduling, for Internet communication and email, for extranet programs, and as Champs Chicken may otherwise specify. Franchisee will use such electronic cash register system and software to record Franchisee's sales transactions, for accounting and bookkeeping, and as Champs Chicken may otherwise specify.

14.7.1 Franchisee will, at Franchisee's sole cost and expense: (i) execute the software license agreements required to be executed by the publishers or vendors of any software programs Champs Chicken requires Franchisee to use; (ii) at all times comply with the provisions of such software license agreements; and (iii) enter into such hardware and software maintenance and upgrading agreements as Champs Chicken may direct.

14.7.2 If Champs Chicken elects to substitute one or more software programs for any software Champs Chicken specifies, Franchisee will, by the end of thirty (30) days after notice from Champs Chicken, at Franchisee's sole cost and expense: (i) cease all use of the software being replaced; (ii) preserve all data from the software being replaced; (iii) obtain and install such substitute software on Franchisee's computer and electronic cash registers as Champs Chicken directs; (iv) import, to the substitute software, relevant data from the software being replaced; and (v) commence the use of such substitute software.

14.7.3 Franchisee will keep Franchisee's computer and electronic cash register systems in good maintenance and repair. Champs Chicken may require Franchisee: (i) to add additional capacity, accessories, and peripheral equipment to the computer and electronic cash register systems Franchisee is using; and (ii) to upgrade or replace any or all such computer and electronic cash register systems, at Franchisee's sole cost and expense.

14.7.4 Franchisee will enter into and maintain in Franchisee's computer and electronic cash register systems such data and information as Champs Chicken may prescribe. Champs Chicken will have the free, independent, and unfettered right to retrieve such data and information from Franchisee's computer and electronic cash register systems remotely or in-person; and Franchisee will, immediately on Champs Chicken's request, provide Champs Chicken with all assistance Champs Chicken may request to obtain such access. Franchisee will promptly provide Champs Chicken with such assistance as Champs Chicken may request to bring Franchisee's computer and electronic cash register systems online with Champs Chicken's headquarters computer. The computer and electronic cash register hardware and software Franchisee obtains and installs must permit Champs Chicken to obtain sales and other information from Franchisee's computer and electronic cash register systems as Champs Chicken may require, automatically on Champs Chicken's request.

14.8 Franchise Summary of this Agreement. Franchisee covenants, warrants, represents, and agrees that it has reviewed the information set forth in the Franchise Summary of this Agreement and all information set forth in such Franchise Summary is true, accurate, and complete.

14.9 Schedule A to this Agreement. Franchisee covenants, warrants, represents, and agrees that: (i) it has reviewed the information set forth on Schedule A to this Agreement; (ii) its Principals as of the Effective Date of this Agreement are correctly set forth on Schedule A; (iii) the percentage of equity each Principal owns and holds is correctly set forth on Schedule A; and (iv) all other information set forth on Schedule A is true, accurate, and complete.

14.10 Personal Guaranty of Franchisee's Principals.

14.10.1 Franchisee covenants, warrants, represents, and agrees that it will cause each of its Principals, and each successor to any or all of them, to execute and deliver the form of Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C, on the Effective Date of this Agreement or at such later time as the Principal becomes a Principal, as applicable.

14.10.2 Franchisee covenants, warrants, represents, and agrees that it will cause each spouse of each of its individual Principals, and each successor to any or all of them, to execute and deliver the Spousal Consent to the Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C: (i) on the Effective Date of this Agreement; or (ii) at such later time as the Principal becomes a Principal or the individual becomes a spouse of a Principal, as applicable.

14.11 Internet Advertising, Social Media, Software and Telephone Account Agreement. When Franchisee signs this Agreement, Franchisee will execute and deliver to Champs Chicken the Internet Advertising, Social Media, Software and Telephone Account Agreement attached to this Agreement as Schedule E. Franchisee will comply with such Internet Advertising, Social Media, Software and Telephone Account Agreement. The Internet Advertising, Social Media, Software and Telephone Account Agreement is hereby incorporated into this Agreement as if fully set forth herein.

15. CONFIDENTIALITY AGREEMENTS; COVENANTS NOT TO COMPETE

15.1 Confidentiality Agreements.

15.1.1 Execution of Confidentiality and Non-Compete Agreement by Franchisee. Champs Chicken's form of confidentiality agreement for franchisees (the "Confidentiality Agreement") is attached to this Agreement as Schedule D. Franchisee will deliver an original of such Confidentiality Agreement, executed by Franchisee, contemporaneously with its delivery of an executed original of this Agreement, to Champs Chicken. Franchisee will comply with the Confidentiality Agreement. The Confidentiality Agreement is hereby incorporated into this Agreement as if fully set forth herein.

15.1.2 Execution of Individual Confidentiality Agreement by Obligors. Champs Chicken's form of confidentiality agreement for individuals (the "Individual Confidentiality Agreement") is attached to the Confidentiality Agreement as Exhibit A. Franchisee will, without Champs Chicken's request, cause each Obligor to execute the Individual Confidentiality Agreement, to provide the date and such party's address as required by such Individual Confidentiality Agreement, and to deliver a fully-executed, dated original of such Individual Confidentiality Agreement to Champs Chicken, prior to and as a condition precedent to granting such person access to the Confidential Information or Trade Secrets. Franchisee will cause each Obligor to comply with such Obligor's Individual Confidentiality Agreement.

15.1.3 Injunctive Relief. Franchisee, for itself and all Obligors, agrees that any failure to comply with this Section 15.1, the Confidentiality Agreement, or any Individual Confidentiality Agreement, will cause Champs Chicken irreparable harm for which Champs Chicken has no adequate remedy at law. Therefore, Franchisee, for itself and all Obligors, agrees that Champs Chicken will have the right to injunctive relief, including without limitation a decree for specific performance, to compel Franchisee's compliance with this Section 15.1 and the Confidentiality Agreement, and to compel the compliance of all Obligors with this Section 15.1 and the Individual Confidentiality Agreement, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security. Franchisee covenants, warrants, represents, and agrees that Franchisee has the authority to bind itself and the Obligors to this Section 15.1.3 of this Agreement. Franchisee acknowledges and agrees that Champs Chicken is relying on such covenant, warranty, representation, and agreement to Champs Chicken's detriment.

15.2 Covenants Not to Compete.

15.2.1 Execution of Covenant Not to Compete by Franchisee. Champs Chicken's form of covenant not to compete for franchisees (the "Confidentiality and Non-Compete Agreement") is attached to this Agreement as Schedule D. Franchisee will deliver an original of such Covenant Not to Compete, executed by Franchisee, contemporaneously with its delivery of an executed original of this Agreement, to

Champs Chicken. Franchisee will comply with the Covenant Not to Compete. The Covenant Not to Compete is hereby incorporated into this Agreement as if fully set forth herein.

15.2.2 Execution of Individual Covenant Not to Compete by Covenanting Personnel. Champs Chicken's form of covenant not to compete for individuals (the "Individual Covenant Not to Compete") is attached to the Covenant Not to Compete as Exhibit A. Franchisee will, without Champs Chicken's request, cause each of the Covenanting Personnel to execute the Individual Covenant Not to Compete, to provide the date and such party's address as required by such Individual Covenant Not to Compete, and to deliver a fully-executed, dated original of such Individual Covenant Not to Compete to Champs Chicken, prior to and as a condition precedent to such person coming within the scope of persons defined as "Covenanting Personnel." Franchisee will cause each of the Covenanting Personnel to comply with such Covenanting Personnel's Individual Covenant Not to Compete.

15.2.3 Injunctive Relief. Franchisee, for itself and all Covenanting Personnel, agrees that any failure to comply with this Section 15.2, the Covenant Not to Compete or any Individual Covenant Not to Compete, will cause Champs Chicken irreparable harm for which Champs Chicken has no adequate remedy at law. Therefore, Franchisee, for itself and all Covenanting Personnel, agrees that Champs Chicken will have the right to injunctive relief, including without limitation a decree for specific performance, to compel Franchisee's compliance with this Section 15.2 and the Covenant Not to Compete, and to compel the compliance of all Covenanting Personnel with this Section 15.2 and the Individual Covenant Not to Compete, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security. Franchisee covenants, warrants, represents, and agrees that Franchisee has the authority to bind itself and the Covenanting Personnel to this Section 15.2.3 of this Agreement. Franchisee acknowledges and agrees that Champs Chicken is relying on such covenant, warranty, representation, and agreement to Champs Chicken's detriment.

16. FINANCIAL STATEMENTS AND REPORTS; AUDIT; INSPECTION

16.1 Financial Statements and Reports.

16.1.1 Gross Sales Report. Franchisee will prepare a report (the "Gross Sales Report"). The Gross Sales Report will set forth Franchisee's Gross Sales and such other information as Champs Chicken may specify, for the preceding Accounting Period or such other period as Champs Chicken may specify. Franchisee will prepare such Gross Sales Report in accordance with generally accepted accounting principles, consistently applied. Franchisee will deliver each Gross Sales Report to Champs Chicken so that Champs Chicken actually receives it by the end of the date Champs Chicken specifies.

16.1.2 Annual Report. Franchisee will prepare, each year, an annual report (the "Annual Report"). The Annual Report will set forth: (i) Franchisee's total Gross Sales, by categories of food, beverages, merchandise, miscellaneous items, and other categories Champs Chicken may specify, for Champs Chicken's immediately-preceding fiscal year or such other period as Champs Chicken may specify; (ii) the total amounts Franchisee was obligated to pay Champs Chicken for such fiscal year; and (iii) such other information as Champs Chicken may specify. Franchisee will prepare such Annual Report in accordance with generally accepted accounting principles, consistently applied. Franchisee will deliver each Annual Report to Champs Chicken so that Champs Chicken actually receives it by the end of February 1 of each year or such other date as Champs Chicken may specify.

16.1.3 Annual Financial Statements. Franchisee will deliver to Champs Chicken, by the end of ninety (90) days after the end of each of Franchisee's fiscal years, for such fiscal year and Franchisee's preceding two (2) fiscal years (or such shorter period as Franchisee has actually been in existence), in comparison form: (i) Franchisee's balance sheet; (ii) Franchisee's statement of shareholders', members', partners', or other equityholders' equity; (iii) Franchisee's profit and loss statement; and (iv) Franchisee's statement of cash flows (collectively, the "Annual Financial Statements").

16.1.3.1 Franchisee will prepare such Annual Financial Statements in accordance with generally accepted accounting principles, consistently applied, including all disclosures required by such generally accepted accounting principles.

16.1.3.2 Champs Chicken may require Franchisee's Annual Financial Statements, books, and records to be audited by an independent certified public accountant satisfactory to Champs Chicken, at Franchisee's sole cost and expense; provided, however, Champs Chicken will not do so unless: (i) Franchisee has failed to timely pay any sums Franchisee owed during the preceding twelve (12) consecutive month period; (ii) Champs Chicken has reasonable grounds to doubt the accuracy of any Gross Sales Report, Annual Report, Annual Financial Statement, or Local Advertising Report (as defined in Section 16.1.4 of this Agreement); (iii) Champs Chicken has reasonable grounds to doubt Franchisee's solvency or ability to continue as a going concern; (iv) an inspection Champs Chicken conducts discloses an understatement in any payment owed to Champs Chicken of four percent (4%) or more; or (v) Champs Chicken imposes a requirement of audited financial statements on substantially all franchised businesses in the System.

16.1.4 Local Advertising Report. Franchisee will deliver to Champs Chicken, by the end of thirty (30) days after the end of each calendar quarter, or more frequently if Champs Chicken requires Franchisee to do so, a report (the "Local Advertising Report"), on forms Champs Chicken prescribes, detailing the amount Franchisee was obligated to spend to fulfill the Local Advertising Requirement (as defined in Section 9.2 of this Agreement) and demonstrating that Franchisee in fact fulfilled the Local Advertising Requirement.

16.1.5 Additional Reports, Documents, and Data. Champs Chicken may request that Franchisee provide Champs Chicken with reports, documents, and data related to the Franchised Business. Such reports, documents, and data shall be in addition to the Gross Sales Report, Annual Report, Annual Financial Statements, and Local Advertising Report. If Champs Chicken requests such reports, documents, and data, Franchisee will deliver the items requested so that Champs Chicken actually receives such items by the end of ten (10) days after Champs Chicken's request, therefore.

16.2 Tax Returns. Franchisee will provide Champs Chicken with copies of all federal, state, local, and other tax returns related to the Franchised Business, so that Champs Chicken actually receives such copies by the end of ten (10) days after Franchisee is required by Law to file such returns.

16.3 Authorization to Use and Publish Information. Franchisee hereby authorizes Champs Chicken to incorporate: (i) in Champs Chicken's franchise disclosure documents; (ii) in bulletins, reports, and other memoranda, including without limitation reports of the gross sales of each franchisee in the System, all of which may be distributed to Champs Chicken's personnel, to Champs Chicken's other franchisees, and to Champs Chicken's other franchisees' personnel; and (iii) in any advertising and promotional materials related to the System, information Champs Chicken derives from Franchisee's Gross Sales Report, Annual Report, Annual Financial Statements, Local Advertising Report, and other reports, documents, and data Franchisee is required to provide to Champs Chicken.

16.4 Financial Records and Audit.

16.4.1 Franchisee will properly record all revenues the Franchised Business receives or becomes entitled to receive. Franchisee will keep and maintain complete and accurate records of all such revenues, and accurate books, records, and tax returns, including related supporting material; which supporting material will include, without limitation, cash receipts and credit and charge records, for the Franchised Business for at least Franchisee's five (5) most recent years of operation (or such shorter period as Franchisee has actually been in existence). Champs Chicken may specify the forms that Franchisee must use to record such revenues. Franchisee will keep and preserve, for at least Franchisee's five (5) most recent years of operation, the types and classes of records Champs Chicken specifies, including all business, personnel, financial, and operating records related to the Franchised Business.

16.4.2 Champs Chicken and any of its authorized representatives may, at any time the Restaurant is required to be or is in fact open for business, without notice, enter onto the premises of the Restaurant or any other premises where Franchisee conducts or maintains any aspect of the Franchised Business, to inspect, audit, and make copies of all Franchisee's records and files related to the Franchised Business. Franchisee will provide Champs Chicken with: (i) immediate access to such premises; (ii) immediate access to such records, including without limitation records Franchisee keeps on paper; records Franchisee stores on any computer hard drive, computer floppy drive, CD-ROM, flash drive, cloud, or other electronic media; and (iii) immediate assistance in all matters Champs Chicken may request in the course of such inspection, audit, and copying.

16.5 Inspection and Operational Audit. Champs Chicken and any of its authorized representatives may, at any time the Restaurant is required to be or is in fact open for business, without notice, enter onto the premises of the Restaurant or any other premises where Franchisee conducts or maintains any aspect of the Franchised Business, to determine Franchisee's compliance with this Agreement. Champs Chicken and its representatives may examine, inspect, photograph, and videotape all aspects of the Franchised Business, which aspects may include, without limitation: (i) the Restaurant; (ii) the Products and Services and other products, equipment, services, supplies, and merchandise Franchisee offers for sale, sells, or delivers through the Franchised Business; (iii) Franchisee's techniques for offering for sale, selling, and delivering the Products and Services and other products, equipment, services, supplies, and merchandise; (iv) the condition of the Restaurant; and (v) such other matters as Champs Chicken or its authorized representatives may deem appropriate.

16.6 Certification. Franchisee will certify that the Gross Sales Report, Annual Report, Annual Financial Statements, Local Advertising Report, and other reports, documents, and data Franchisee is required to provide Champs Chicken, are true and correct, which certification will be signed by Franchisee if Franchisee is a proprietorship, by Franchisee's chief executive officer if Franchisee is a corporation, by Franchisee's managing partner if Franchisee is a partnership, or by Franchisee's manager or managing member if Franchisee is a limited liability company.

17. INDEMNIFICATION; INSURANCE POLICIES AND COVERAGES

17.1 Indemnification.

17.1.1 Franchisee's Indemnification Obligations. Franchisee will, at Franchisee's sole cost and expense, defend, indemnify, and hold harmless Champs Chicken and Champs Chicken's affiliates, and Champs Chicken's and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Indemnitees"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages (actual, consequential, multiplied, enhanced, exemplary, punitive, and otherwise), expenses, costs, liability, and liabilities, of any nature or kind, including without limitation attorneys' fees and costs (collectively, the "Losses"), arising out of or related to any action, suit, proceeding, claim, demand, or investigation (collectively, the "Claims"), arising out of or related to: (i) this Agreement; (ii) the Restaurant; or (iii) the Franchised Business (such obligations being referred to, collectively, as Franchisee's "Indemnification Obligations").

17.1.2 Notice of Claims; Defense of Claims. Franchisee will give Champs Chicken notice of any Claim immediately on Franchisee's receiving notice of such Claim. Franchisee will respond to all Claims: (i) by the end of the time required by Law, if Law prescribes such a time; or (ii) promptly, if the Law does not prescribe such a time. Champs Chicken may, at Franchisee's sole cost, expense, and risk, assume the defense or settlement of any such Claim; provided, however, Champs Chicken will not be obligated to do so. Franchisee will cooperate with Champs Chicken in all respects to defend Franchisee and Champs Chicken against any and all Claims; which cooperation may require Franchisee, among other things, to appear at depositions, hearings, and trial. If Champs Chicken assumes the defense of any Claim, Champs Chicken will seek Franchisee's advice and counsel, and will keep Franchisee informed, with respect to any such defense or settlement. Champs Chicken's assumption of any defense, and Champs Chicken's entry into any settlement, will not diminish Franchisee's Indemnification Obligations, all of which Indemnification Obligations shall remain in full force and effect.

17.1.3 Payment. All Losses set forth in this Section 17.1 will be chargeable to and paid by Franchisee pursuant to Franchisee's Indemnification Obligations, regardless of any actions, activities, or defenses Champs Chicken may undertake or the subsequent success or failure of such actions, activities, or defenses.

17.1.4 No Liability for Acts, Errors, or Omissions of Third Parties. The Indemnitees shall not be liable or accountable in any manner whatsoever for acts, errors, or omissions of those with whom Champs Chicken or Franchisee may contract, regardless of the purpose. Franchisee will hold harmless and indemnify the Indemnitees for all losses and expenses arising out of or related to any acts, errors, or omissions of such third parties.

17.1.5 No Obligation to Seek Recovery; No Mitigation of Losses. The Indemnitees shall not be obligated to seek recovery from third parties, or to otherwise mitigate their Losses, in order to maintain a claim related to the Indemnification Obligations. Franchisee agrees that the failure to pursue such recovery or mitigate such Losses will in no way reduce the amounts the Indemnitees are entitled to recover.

17.2 Insurance Policies and Coverages.

17.2.1 Champs Chicken prescribes minimum standards for insurance policies and coverages Franchisee must obtain and maintain. Champs Chicken may add to, delete from, and modify such minimum standards from time to time, which additions, deletions, and modifications may include modifications to the policies Franchisee must maintain, the scope of coverage of each such policy, and the dollar amount of coverage provided under each such policy.

17.2.2 Franchisee will obtain and maintain, at Franchisee's sole cost and expense, the following categories of insurance policies and coverages, in forms and through insurance companies satisfactory to Champs Chicken:

17.2.2.1 Broad-form comprehensive general liability coverage, including coverage for products liability, contractual liability, personal injury, advertising injury, fire damage, other property damage, and medical expenses, having a combined single limit of One Million and No/100 Dollars ($1,000,000) per occurrence and Two Million and No/100 Dollars ($2,000,000) in the aggregate, which insurance shall not have a deductible or self-insured retention of greater than Ten Thousand and No/100 Dollars ($10,000). If Franchisee offers alcoholic beverages, such coverage shall include coverage for alcoholic beverage liability.

17.2.2.2 For each vehicle operated in connection with the Franchised Business, automobile liability coverage, including coverage of owned, non-owned, and hired vehicles, and including coverage for bodily injury and property damage, with a combined single limit of the greater of: (i) the amount required by Law; or (ii) One Million and No/100 Dollars ($1,000,000) per claim.

17.2.2.3 Workers' compensation and employer's liability insurance with minimum coverage of: (i) Five Hundred Thousand and No/100 Dollars ($500,000) per accident; and (ii) Five Hundred Thousand and No/100 Dollars ($500,000) disease per employee with a policy limit of Five Hundred Thousand and No/100 Dollars ($500,000) disease in the aggregate.

17.2.2.4 Umbrella liability coverage, providing excess liability coverage for the coverages set forth in Section 17.2.2.1, Section 17.2.2.2, and Section 17.2.2.3 of this Agreement, in the total amount of Two Million and No/100 Dollars ($2,000,000) per occurrence and in the aggregate.

17.2.2.5 Employment practices liability coverage for defense of claims brought by an employee or prospective employee, in the total amount of Fifty Thousand and No/100 Dollars ($50,000) per occurrence and in the aggregate, with a maximum deductible of Two Thousand Five Hundred and No/100 Dollars ($2,500).

17.2.2.6 Business interruption insurance for the actual loss sustained for eighteen (18) months.

17.2.2.7 Unemployment compensation insurance, disability insurance, social security, and other insurance required by Law, in such coverages as Law may require.

17.2.3 The insurance policies Franchisee obtains and maintains will:

17.2.3.1 Name Champs Chicken and the other Indemnitees as additional insureds and provide that the coverage afforded applies separately to each insured against whom a Claim is brought as though a separate policy had been issued to each such insured; provided, however, this Section 17.2.3.1 will not apply to the insurance required by Law set forth in Section 17.2.2.7 of this Agreement.

17.2.3.2 Contain no provisions that in any way limit or reduce coverage for Franchisee in the event of a Claim by any one or more of the Indemnitees.

17.2.3.3 Be primary to and without right of contribution from any insurance purchased by any or all of the Indemnitees.

17.2.3.4 Require the insurance carrier to provide Champs Chicken with at least thirty (30) days' prior written notice of any intent to: (i) reduce policy limits; (ii) restrict coverage; or (iii) cancel, amend, or otherwise modify any or all of such policies or coverages.

17.2.3.5 Require the insurance carrier to include a waiver of subrogation endorsement on all claims arising out of the policies set forth in Section 17.2.2.1, Section 17.2.2.2, and Section 17.2.2.3 of this Agreement.

17.2.4 Franchisee will not reduce policy limits, restrict coverage, or cancel, amend, or otherwise modify or allow to be modified any or all of such insurance policies or coverages without Champs Chicken's prior written consent.

17.3 No Representation Regarding Adequacy. The insurance policies and coverages Champs Chicken requires are Champs Chicken's minimum requirements for insurance. Champs Chicken does not represent that the insurance policies and coverages Champs Chicken requires will provide Franchisee with adequate coverage. Franchisee is solely responsible for determining the policies and coverages Franchisee may need to be properly insured; provided, however, such policies and coverages may not be less than Champs Chicken requires.

17.4 Certificates of Insurance; Certification by Franchisee's Insurance Agent.

17.4.1 Franchisee will provide Champs Chicken with Certificates of Insurance evidencing such coverages as Champs Chicken requires so that Champs Chicken actually receives such certificates by the end of ten (10) days before the Restaurant's Opening Date. Franchisee will renew all insurance policies, and on such renewal will furnish renewal Certificates of Insurance to Champs Chicken, before the expiration of the existing term of the applicable policy. Franchisee will forward to Champs Chicken such Certificates of Insurance, and full copies of any or all insurance policies Franchisee maintains, so that Champs Chicken actually receives such Certificates and policies by the end of ten (10) days after Champs Chicken's request for such Certificates and policies.

17.4.2 Franchisee will provide Champs Chicken with the names and contact information of all of Franchisee's insurance agents. Franchisee will arrange for Franchisee's insurance agents to provide Champs Chicken with such written certifications as Champs Chicken may require, certifying that Franchisee is in compliance with Franchisee's obligations set forth in Section 17.2 of this Agreement and otherwise.

18. TRANSFER; RIGHT OF FIRST REFUSAL

18.1 Transfer by Champs Chicken. Champs Chicken may assign any or all of its rights and may delegate any or all of its obligations under this Agreement. Champs Chicken will not be required to obtain Franchisee's consent in connection with any such assignment or delegation. Such assignment or delegation shall effect a complete novation of the rights assigned and the duties delegated, unless Champs Chicken specifies otherwise. Following the effective date of such assignment, Franchisee will deliver performance of all rights so assigned to the assignee, and not to Champs Chicken, unless Champs Chicken specifies otherwise. Following the effective date of such delegation, Franchisee will look solely to the delegatee, and not to Champs Chicken, for the performance of all obligations so delegated, unless Champs Chicken specifies otherwise. Champs Chicken may transfer, assign, or otherwise modify any or all of the ownership in Champs Chicken, and may engage in a public offering of debt or equity, without Franchisee's consent.

18.2 Transfer by Franchisee or Principals.

18.2.1 Franchisee acknowledges and agrees that: (i) this Agreement is a contract for the personal services of Franchisee and its Principals; and (ii) Champs Chicken has entered into this Agreement in reliance on information Franchisee and its Principals provided related to Franchisee's and such Principals' business skills, business acumen, business experience, personal character, education, credit rating, financial resources, and other matters (collectively, the "Principal Qualifications"). Franchisee hereby directs any third party construing this Agreement, including without limitation any court, mediator, master, or other party acting as trier of fact or law, to conclusively presume that this Agreement is a contract for the personal services of Franchisee and its Principals.

18.2.2 Franchisee's Principals shall own and hold all of the equity of Franchisee.

18.2.3 Franchisee and its Principals shall own and hold a majority of the voting equity of any Operating Company (as defined in Section 1.12 of this Agreement). The remaining voting equity of any Operating Company may be owned or held by non-Principal natural persons not to exceed ten (10) in number, directly, indirectly, or beneficially, with Champs Chicken's prior written consent.

18.3 Transfer; Need for Champs Chicken's Consent. Champs Chicken's prior written consent is an express condition precedent to the sale, assignment, delegation, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation (collectively, the "Transfer") of any of the following (each an "Interest"):

18.3.1 Any direct, indirect, or beneficial interest of Franchisee or of any Principal in Franchisee, the Franchised Business, any Operating Company, this Agreement, the Franchise granted under this Agreement, any Approved Location, any Restaurant, or all or substantially all of the assets of the Franchised Business except as expressly permitted in this Agreement; and

18.3.2 Franchisee, the Franchised Business, any Operating Company, this Agreement, the Franchise granted under this Agreement, any Approved Location, or any Restaurant, except as expressly permitted in this Agreement.

18.4 Conditions Precedent to Consent to Transfer.

18.4.1 Champs Chicken will not unreasonably withhold its consent to a Transfer of any Interest described in Section 18.3 of this Agreement.

18.4.2 Franchisee, Franchisee's Principals, the transferor, and the transferee, as appropriate, must satisfy the following conditions precedent to Champs Chicken's consent to the Transfer of any Interest, all of which conditions precedent Franchisee acknowledges and agrees are reasonable:

18.4.2.1 Transferee (and if the transferee is a business entity, such transferee's equityholders) must meet Champs Chicken's Principal Qualifications.

18.4.2.2 Franchisee must satisfy all monetary obligations and other obligations owed to Champs Chicken, Champs Chicken's affiliates, and Franchisee's other creditors.

18.4.2.3 At all times during the Term: (i) Franchisee must have been in substantial compliance with this Agreement; (ii) Franchisee must have been in substantial compliance with the Operations Manual; and (iii) Franchisee and its affiliates must have been in substantial compliance with all other agreements to which Franchisee or such affiliates on the one hand, and Champs Chicken or Champs Chicken's affiliates on the other hand, are parties.

18.4.2.4 At the time of the Transfer, Franchisee and its affiliates must be in compliance with this Agreement and all other agreements to which Franchisee or such affiliates on the one hand, and Champs Chicken or Champs Chicken's affiliates on the other hand, are parties.

18.4.2.5 Franchisee, its Principals, the transferor, and the transferee must duly execute and deliver to Champs Chicken its then-current form of transfer agreement, which transfer agreement: (i) will require the transferee to assume and agree to discharge all of the obligations of the transferor; (ii) will provide that the transferor shall remain liable for all of the obligations owed to Champs Chicken and Champs Chicken's affiliates arising prior to the effective date of the Transfer; and (iii) will contain a Release, Estoppel, Covenant Not to Sue, and Indemnification in substantially the form attached as Schedule I to this Agreement.

18.4.2.6 If the Transfer is a Transfer of Franchisee, all or substantially all of the assets of Franchisee, any Restaurant, all or substantially all of the assets of any Restaurant, the Franchised Business, all or substantially all of the assets of the Franchised Business, or the Franchise granted under this Agreement, the transferee must enter into Champs Chicken's then-current form of franchise agreement (the "Replacement Franchise Agreement"). The provisions of the Replacement Franchise Agreement may differ materially from the provisions of this Agreement. Champs Chicken will not require the transferee to pay any initial franchise fee similar to the initial franchise fee set forth in Section 4.1 of this Agreement as to such Replacement Franchise Agreement. The initial term of the Replacement Franchise Agreement shall be the balance remaining of the Initial Term of this Agreement.

18.4.2.7 Transferee, at its expense, must Renovate the Restaurant as set forth in Section 7.4 of this Agreement, if Champs Chicken requires such Renovation.

18.4.2.8 Transferee and, if applicable, transferee's Managers, must complete any training programs then in effect for new franchisees prior to the effective date of such Transfer, on such terms and conditions as Champs Chicken may reasonably specify.

18.4.2.9 Except in the case of a Transfer to an Operating Company, transferor or transferee must pay Champs Chicken a Transfer fee in an amount equal to Two Thousand Five Hundred and No/100 Dollars ($2,500) (the "Transfer Fee").

18.4.2.10 Transferee must, if the Approved Location is subject to a lease: (i) agree to a sublease, or to a transfer and assumption of the lease, of the Approved Location from the original franchisee; and (ii) obtain the landlord's approval prior to any such sublease, transfer, and assumption.

18.4.3 Any purported Transfer that does not comply with this Section 18.4 shall be: (i) voidable by Champs Chicken; and (ii) a breach of this Agreement that shall permit Champs Chicken to terminate this Agreement pursuant to Section 20.3.15 of this Agreement.

18.5 Transfer to Franchisee's Operating Company.

18.5.1 Franchisee may transfer the Operating Rights to a specific Restaurant to an Operating Company. Franchisee or Franchisee's Principals must own and hold (directly, indirectly, and beneficially) a majority of the voting equity of such Operating Company. As express conditions precedent to such transfer:

18.5.1.1 Franchisee and such Operating Company, together with Principals and Operating Company's equityholders, must enter into Champs Chicken's then-current form of Consent to Transfer of Operating Rights, which Consent to Transfer of Operating Rights: (i) will require the Operating Company to assume and agree to discharge all of Franchisee's Operating Rights, which Operating Rights specifically include Franchisee's obligations, related to the Restaurant; (ii) will provide that Franchisee shall remain liable for all of the obligations owed to Champs Chicken and Champs Chicken's affiliates in connection with the Franchised Business; (iii) will contain a personal guaranty of Franchisee's Principals and Operating Company's equityholders in substantially the form of the Personal Guaranty of Franchisee's Principals attached as Schedule C to this Agreement; (iv) will contain confidentiality agreements in substantially the form of Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D and the form of Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A; (v) will contain covenants not to compete in substantially the form Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A; and (vi) will contain a

Release, Estoppel, Covenant Not to Sue, and Indemnification in substantially the form attached as Schedule F to this Agreement; and

18.5.1.2 Franchisee and such Operating Company must comply, except as Champs Chicken may otherwise approve in writing, with the requirements set forth in Section 18.4.2 of this Agreement.

18.5.2 Any purported transfer of operating rights that does not comply with this Section 18.5 shall be: (i) voidable by Champs Chicken; and (ii) a breach of this Agreement that shall permit Champs Chicken to terminate this Agreement pursuant to Section 20.3.15 of this Agreement.

18.5.3 In the event of any transfer to an Operating Company, whether such transfer is permitted or unpermitted, and regardless of whether Champs Chicken, Franchisee, Franchisee's Principals, Operating Company, and Operating Company's equityholders, have entered into Champs Chicken's then-current form of Consent to Transfer of Operating Rights, all provisions of this Agreement that grant Champs Chicken the right to terminate this Agreement as a result of Franchisee's acts, omissions, circumstances, or breaches shall be expanded to permit Champs Chicken to terminate this Agreement as a result of acts, omissions, circumstances, or breaches of such Operating Company, as if the term "Franchisee" specifically included such Operating Company. By way of example, and not by way of limitation, the provisions of this Agreement that grant Champs Chicken the right to terminate this Agreement as a result of Franchisee's failure to pay sums Franchisee owes Champs Chicken shall likewise grant Champs Chicken the right to terminate this Agreement as a result of such Operating Company's failure to pay Champs Chicken sums Operating Company owes. By way of further example, and not by way of limitation, the provisions of this Agreement that grant Champs Chicken the right to terminate this Agreement as a result of Franchisee's insolvency shall likewise grant Champs Chicken the right to terminate this Agreement as a result of Operating Company's insolvency.

18.5.4 Champs Chicken will not charge Franchisee a Transfer Fee for the transfer of Operating Rights set forth in this Section 18.5; provided, however, Franchisee will reimburse Champs Chicken for Champs Chicken's actual costs related to such transfer of Operating Rights, including without limitation Champs Chicken's attorneys' fees and costs, so that Champs Chicken actually receives such reimbursement by the end of ten (10) days after demand therefor.

18.6 Transfer on Death or Disability. In the event of the death, disability, or permanent incapacity of a shareholder, partner, member, or other owner of Franchisee that results in a change in control or right of control over Franchisee or the Franchised Business, all of the interest of such person may be transferred to a buyer Champs Chicken approves by the end of six (6) months after the date such person dies or becomes disabled, provided that each person obtaining such interest: (i) is capable of operating the Franchised Business in compliance with this Agreement, as Champs Chicken may determine; (ii) signs the form of Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C; (iii) signs the form of Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D and the form of Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A; and (iv) signs the form of Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A, as conditions precedent to obtaining such ownership interest. If Franchisee's Managers responsible for managing the Franchised Business cannot devote their full time or best efforts to the operation of the Franchised Business or lack the capacity to comply with this Agreement, Champs Chicken will have the option to operate or manage the Franchised Business for Franchisee's account or the account of the estate of the deceased, disabled, or incapacitated shareholder, partner, or member until the deceased, disabled, or incapacitated party's interest is transferred to a party acceptable to Champs Chicken in compliance with this Section 18.6. During the period that Champs Chicken operates or manages the Franchised Business, Champs Chicken will make a complete accounting to, and will return the net income from such operation to, Franchisee or the estate of such shareholder, partner, member, or other owner, less a reasonable management fee and reimbursement of Champs Chicken's expenses.

18.7 Champs Chicken's Right of First Refusal.

18.7.1 Section 18.7.2 of this Agreement shall not apply to: (i) Transfers of Interests between or among Franchisee's then-existing permitted Principals; and (ii) Transfers of Operating Rights.

18.7.2 If Franchisee or any Principal determines at any time to Transfer any Interest, Franchisee will obtain a bona fide executed written offer to purchase such Interest from a responsible and fully-disclosed purchaser, and will submit an exact copy of such offer to Champs Chicken. Champs Chicken may request such information as Champs Chicken deems appropriate related to such documented offer. Champs Chicken will, for a period of thirty (30) days from the date Champs Chicken receives the last item of information Champs Chicken may request, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of such Interest for the price, minus any sales commission that would have been payable as a result of the proposed sale, and on substantially the same terms and conditions, contained in such offer; provided, however, Champs Chicken may substitute cash for any other form of consideration proposed in such offer. Champs Chicken may deduct from the purchase price any unpaid amounts Franchisee owes Champs Chicken and may pay out of the purchase price any of Franchisee's unpaid trade creditors. If Champs Chicken does not exercise such right of first refusal, Franchisee or Principals may complete such Transfer of such Interest to such purchaser on the same terms as offered to Champs Chicken, subject to the other provisions of Section 18.2, Section 18.3, and Section 18.4 of this Agreement. If such Transfer is not completed by the end of sixty (60) days after delivery of such offer to Champs Chicken, or if Franchisee or the proposed purchaser makes any material modification to such offer, Champs Chicken will again have the right of first refusal set forth in this Section 18.7.

19. RELATIONSHIP OF THE PARTIES

19.1 Franchisee Is an Independent Licensee. Franchisee acknowledges and agrees that: (i) it is an independent licensee of Champs Chicken; (ii) it is not Champs Chicken's legal representative, contractor or agent; (iii) it does not have any right, power, or authority to obligate or to bind Champs Chicken, legally or otherwise; (iv) it does not have any right, power, or authority to control or supervise Champs Chicken's business; (v) nothing in this Agreement may be construed to create a partnership or a joint venture, or an agency, fiduciary, or employment relationship; (vi) Champs Chicken will not be liable for any damages to any person or property that directly or indirectly arise out of or relate to the Franchised Business; and (vii) except as otherwise set forth in this Agreement, Champs Chicken does not have control or any right of control over the Franchised Business.

19.2 Franchisee and Champs Chicken Are Engaged in Separate and Distinct Businesses. Franchisee acknowledges and agrees that: (i) Champs Chicken's business is the business of developing the System, granting franchises to independent business operators to use the System, and servicing independent operators of franchised businesses in the System; (ii) Franchisee's business is the business of offering for sale and selling the Products and Services to the consuming public; and (iii) the business Champs Chicken operates and the business Franchisee operates are separate and distinct businesses engaged in separate and distinct activities.

19.3 Franchisee and Champs Chicken Do Not Have an Employment Relationship. Franchisee acknowledges and agrees that neither Franchisee nor any employee of Franchisee shall, in any manner, directly or indirectly, expressly or by implication, be construed to be an employee of Champs Chicken for any purpose; which purposes shall specifically include, but shall not be limited to, any governmentmandated insurance coverage, tax, or other program; or any form of unemployment compensation; or contributions or requirements related to withholdings imposed, levied, or fixed by any governmental authority.

19.4 Franchisee Will Identify Itself as an Independent Licensee. Franchisee will: (i) identify itself as an independent franchisee of Champs Chicken in all public records where such disclosure is permitted; (ii) place on Franchisee's business forms and checks the legend "An Independent Franchisee of Champs Chicken Franchising, LLC" or such other language as Champs Chicken may specify from time to time; and (iii) post in the Restaurant, in a place easily visible to guests, suppliers, and the public, a sign stating substantially as follows:

> This Champs Chicken® Restaurant is independently owned and operated by [Franchisee's full legal name] under a franchise granted by Champs Chicken Franchising, LLC, [Champs Chicken's then-current address], [Champs Chicken's then-current telephone number].

19.5 Covenant Not to Raise Contrary Allegations; Enforcement.

19.5.1 Franchisee, for itself, its Principals, and its employees, hereby covenants, warrants, represents, and agrees that neither Franchisee, nor they, nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to Champs Chicken or its affiliates, or Champs Chicken's or such affiliates' directors, officers, shareholders, partners, members, employees, agents, or attorneys (collectively, the "Champs Chicken Parties"), alleging any matter contrary to any covenant, warranty, representation, acknowledgment, agreement, or other provision set forth in this Section 19 of this Agreement.

19.5.2 Franchisee, for itself, its Principals, and its employees, hereby acknowledges and agrees that in the event of any breach of Section 19.5.1 of this Agreement, the Champs Chicken Parties would be irreparably injured and without adequate remedy at law. Therefore, in the event of a breach or a threatened or attempted breach of any provision of Section 19.5.1, Franchisee, for itself, its Principals, and its employees, agrees that Champs Chicken and the other Champs Chicken Parties will be entitled, in addition to all other remedies Champs Chicken and such other Champs Chicken Parties may have at law or in equity or otherwise, to a preliminary and permanent injunction and a decree for specific performance of the provisions of Section 19.5.1, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

19.6 Authority. Franchisee hereby covenants, warrants, represents, and agrees that Franchisee has the authority to bind itself, its Principals, and its employees to this Section 19 of this Agreement.

20. BREACH AND TERMINATION

20.1 Termination by Franchisee.

20.1.1 Bases for Termination; Notice and Opportunity to Cure. Franchisee may terminate this Agreement if Champs Chicken commits a material breach of any material provision of this Agreement. To terminate this Agreement, Franchisee must give Champs Chicken written notice of such breach. Such notice must state with particularity: (i) the breach; and (ii) the cure required. Franchisee may terminate the Agreement on notice of termination to Champs Chicken if Champs Chicken has not cured the breach by the end of sixty (60) days after the date Champs Chicken actually receives the notice of such breach; provided, however, if such cure requires a longer time to complete, Franchisee may not terminate this Agreement if Champs Chicken has commenced to cure such breach by the end of sixty (60) days after the date Champs Chicken actually receives such notice and Champs Chicken diligently continues to prosecute such cure until it is reasonably effected.

20.1.2 Injunctive Relief to Prevent Termination. Notwithstanding anything set forth in Section 20.1.1 of this Agreement to the contrary, Champs Chicken shall have the right to commence an action for injunctive relief to prevent the termination of this Agreement, without regard to any waiting period that may be contained in this Agreement, without the necessity of showing actual or threatened damage, and without being required to furnish a bond or other security. If Champs Chicken commences such action, then Franchisee may not terminate this Agreement unless and until a court of competent jurisdiction has ruled on the merits that: (i) Champs Chicken breached this Agreement in the manner Franchisee alleged; (ii) Franchisee complied with the notice requirements set forth in Section 20.1.1 and Section 22.2.1 of this Agreement; and (iii) Champs Chicken did not cure such breach, or did not commence such cure, as set forth in Section 20.1.1. If the requirements set forth in Clause (i), Clause (ii), and Clause (iii) of this Section 20.1.2 are satisfied, then Franchisee may terminate only if: (a) Champs Chicken fails to begin the actions necessary to cure the breach by the end of thirty (30) days after a final judgment has been entered against Champs Chicken; and (b) all time for Champs Chicken to appeal has expired.

20.2 Termination by Champs Chicken: General.

20.2.1 Franchisee acknowledges and agrees that: (i) all of Franchisee's obligations contained in this Agreement are material and essential; (ii) any breach by Franchisee of this Agreement will materially damage the System and Champs Chicken; and (iii) any breach by Franchisee of this Agreement will impose additional and unforeseen costs and expenses on Champs Chicken.

20.2.2 As a result of the matters set forth in Section 20.2.1 of this Agreement, Franchisee agrees that if Franchisee breaches any covenant, warranty, representation, agreement, term, or provision in this Agreement: (i) such breach shall permit Champs Chicken to terminate this Agreement and any and all rights granted to Franchisee under this Agreement under the provisions set forth in this Section 20; and (ii) Champs Chicken's performance of its obligations under this Agreement shall be excused for as long as Franchisee is in such breach.

20.2.3 If Champs Chicken permits Franchisee to cure any breach of this Agreement, or if this Agreement provides that Franchisee may effect such cure, Franchisee must: (i) effect such cure by the end of the cure period prescribed by this Agreement or such later cure period as Champs Chicken may prescribe; (ii) effect such cure to Champs Chicken's reasonable satisfaction; and (iii) deliver timely confirmation and proof of such cure to Champs Chicken, without which timely confirmation and proof Champs Chicken may conclusively presume that Franchisee has not effected such cure.

20.3 Termination by Champs Chicken: No Opportunity to Cure. Franchisee will be in material breach of this Agreement, and Champs Chicken will have the right to terminate this Agreement without affording Franchisee any opportunity to cure the breach, effective on delivery of notice of termination to Franchisee:

20.3.1 If Franchisee or any Operating Company shall become insolvent, which shall mean that any one or more of the following apply to Franchisee or such Operating Company:

20.3.1.1 A petition in bankruptcy is filed or a case in bankruptcy: (i) is commenced by Franchisee or any Operating Company; or (ii) is commenced against Franchisee or any Operating Company and is not dismissed within sixty (60) days;

20.3.1.2 Franchisee or any Operating Company is adjudicated bankrupt;

20.3.1.3 Franchisee or any Operating Company takes or attempts to take the benefit of any law for the relief of debtors;

20.3.1.4 Proceedings for a composition of creditors under any Law: (i) are commenced by Franchisee or any Operating Company; or (ii) are commenced against Franchisee or any Operating Company and are not dismissed within sixty (60) days;

20.3.1.5 Franchisee or any Operating Company makes a general assignment for the benefit of creditors;

20.3.1.6 A proceeding for the appointment of a receiver, liquidator, manager, administrator, or other custodian (permanent or temporary) of Franchisee, any Operating Company, Franchisee's assets, the assets of any Operating Company, any Restaurant, the assets of any Restaurant, the Franchised Business, or the assets of the Franchised Business, or any part of any of the foregoing: (i) is commenced by Franchisee or any Operating Company; or (ii) is commenced against Franchisee or any Operating Company and is not dismissed within sixty (60) days;

20.3.1.7 A receiver, liquidator, manager, administrator, or other custodian (permanent or temporary) of Franchisee, any Operating Company, Franchisee's assets, the assets of any Operating Company, any Restaurant, the assets of any Restaurant, the Franchised Business, or the assets of the Franchised Business, or any part of the foregoing: (i) is appointed by Franchisee or any Operating Company; or (ii) is appointed by a court of competent jurisdiction or by private instrument or otherwise and such appointment is not dismissed within sixty (60) days;

20.3.1.8 Execution is levied against any ownership interest in, or any assets of, Franchisee, any Operating Company, any Restaurant, or the Franchised Business;

20.3.1.9 Any interest in, or any asset of, Franchisee, any Operating Company, any Restaurant, or the Franchised Business, is sold after levy on such interest or asset by any sheriff, marshal, bailiff, clerk of court, or other governmental authority;

20.3.1.10 Franchisee or any Operating Company is evicted from the premises of the Approved Location or Restaurant; provided, however, if such eviction is the result of governmental exercise of eminent domain, Franchisee may relocate the Restaurant to another location in Franchisee's Territory, subject to: (i) Champs Chicken's approval of the Proposed Site; and (ii) Franchisee's compliance with site selection criteria, Restaurant opening criteria, and related matters set forth in this Agreement and the Operations Manual;

20.3.1.11 Champs Chicken determines that Franchisee's or any Operating Company's capital is insufficient to carry on Franchisee's or such Operating Company's business transactions and all business transactions in which it is required to engage, as evidenced by Franchisee's or Operating Company's actual failure to carry on such business transactions;

20.3.1.12 Champs Chicken determines that Franchisee or any Operating Company is unable to pay all of Franchisee's or such Operating Company's indebtedness as such indebtedness comes due, as evidenced by Franchisee's or Operating Company's actual failure to pay such indebtedness as it comes due;

20.3.1.13 An unappealed final judgment against Franchisee or any Operating Company remains unsatisfied for sixty (60) days, unless a supersedeas bond is filed;

20.3.1.14 Franchisee or any Operating Company is dissolved or wound up; or

20.3.1.15 Franchisee or any Operating Company, jointly or severally, fails on three (3) or more occasions during any twelve (12) consecutive month period to pay when due any sum Franchisee or such Operating Company is required to pay Champs Chicken or Champs Chicken's affiliates, whether or not Franchisee or such Operating Company cures such failure to pay.

20.3.2 If in breach of any provision of Section 12 or Section 15 of this Agreement, or if in breach of any provision of the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D, the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A, the Individual Confidentiality Agreement attached to the Covenant Not to Compete as Exhibit A, Franchisee, any Operating Company, any person required to execute the Individual Confidentiality Agreement, or any person required to execute the Individual Covenant Not to Compete: (i) discloses any of Champs Chicken's Confidential Information or Trade Secrets to any person or entity not authorized to receive such information; (ii) misuses any of Champs Chicken's Confidential Information or Trade Secrets; or (iii) engages in a Competing Activity.

20.3.3 If Franchisee or any Principal misrepresented any material fact in any information furnished to Champs Chicken related to Champs Chicken's decision to enter into this Agreement.

20.3.4 If Franchisee or any Operating Company knowingly maintains false books or records, conceals revenues from Champs Chicken, or submits any material, false statement in any Gross Sales Report, Annual Report, Annual Financial Statement, or Local Advertising Report, or in any other report, document, or data Champs Chicken requires, or in any tax return required by Law.

20.3.5 If Champs Chicken determines that Franchisee or any Operating Company has understated Franchisee's or such Operating Company's Gross Sales by four percent (4%) or more on any Gross Sales Report, Annual Report, Annual Financial Statement, Local Advertising Report, or other report, document, or data Champs Chicken requires, or on any federal, state, or local tax return Franchisee is required to file.

20.3.6 If Franchisee or any Operating Company denies Champs Chicken or any of Champs Chicken's authorized representatives immediate access, on Champs Chicken's or such representative's demand, during any hours that Franchisee's Restaurant is required to be or is in fact open for business, to any or all of Franchisee's financial or accounting records and files; which records and files will include, but will not be limited to: (i) paper records; (ii) records stored on any computer hard drive, computer floppy drive, CD-ROM, flash drive, cloud, or other electronic media; (iii) cash receipts, charge receipts, Comp records, invoices, bank statements, cancelled checks, and otherwise, related to the information Franchisee is required to provide in the Gross Sales Report, Annual Report, Annual Financial Statement, Local Advertising Report, or other report, document, or data Champs Chicken requires, or in any tax return Franchisee is required by Law to file, whether such records and files are located at Franchisee's Restaurant or elsewhere; so that Champs Chicken may inspect, audit, make copies of, and download all such records and files; or if Franchisee or such Operating Company fails to provide Champs

Chicken or its representatives with immediate and full assistance in the course of such access, inspection, audit, copying, and downloading.

20.3.7 If Franchisee or any Operating Company denies Champs Chicken or any of Champs Chicken's authorized representatives immediate access, on Champs Chicken's or such representative's demand, during any hours that Franchisee's Restaurant is required to be or is in fact open for business, to all premises of the Franchised Business, to monitor Franchisee's procedures, evaluate Franchisee's performance, or determine if Franchisee is in compliance with this Agreement and the Operations Manual; or if Franchisee or such Operating Company fails to provide Champs Chicken or its representatives with immediate and full assistance in the course of such monitoring, evaluation, and determination.

20.3.8 If Franchisee or any Operating Company receives three (3) or more failing scores on any health or safety inspection Champs Chicken or any governmental authority conducts within any twelve (12) consecutive month period.

20.3.9 If Franchisee or any Operating Company, unless Champs Chicken expressly authorizes Franchisee to do so in writing: (i) uses or displays the Marks in relation to any business or activity other than the operation of the Restaurant; (ii) uses any trademark, trade name, service mark, logotype, other commercial symbol, or trade dress, other than the Marks, as a primary identifier of the Restaurant; (iii) offers for sale, sells, or delivers the Products and Services, or any other products, equipment, services, supplies, or merchandise, under the Marks, except as set forth in this Agreement; (iv) uses or displays the Marks except in the form, manner, and locations that Champs Chicken specifically approves or directs; (v) uses or registers any Mark, any part of any Mark, or anything similar, as part of Franchisee's name or the name of any entity related to Franchisee's activities, except for the fictitious name registration required under Section 14.1 of this Agreement; (vi) uses or registers any Mark, any part of any Mark, or anything similar, as a part of any Internet domain name, social media site name, user name, or any like name; (vii) uses any Mark in any manner that may injure or disparage Champs Chicken or Champs Chicken's reputation; or (viii) takes any other action that may harm or jeopardize any Mark, or Champs Chicken's ownership of such Mark, in any way.

20.3.10 If Franchisee or any Operating Company fails to comply with all Laws related to the Franchised Business, unless there is a bona fide dispute as to the violation or legality of such Law, and Franchisee or such Operating Company promptly resorts to a court or other appropriate forum having jurisdiction to contest such violation or illegality, and Franchisee or such Operating Company vigorously prosecutes such contest to its conclusion.

20.3.11 If, for a period of five (5) consecutive days or any shorter period of time that indicates an intent to discontinue operation of the Restaurant as a Champs Chicken restaurant under the System: (i) Franchisee or any Operating Company abandons the Restaurant; (ii) Franchisee or any Operating Company abandons the Franchise granted under this Agreement by failing to operate the Restaurant; or (iii) the Restaurant ceases regular business operations.

20.3.12 If Franchisee or any Operating Company commits fraud related to the Franchised Business, including without limitation fraud on Champs Chicken, any affiliate of Champs Chicken, any lessor, any supplier, or any guest; or if Franchisee or any Operating Company otherwise engages in conduct that materially impairs the goodwill related to the Franchised Business or the System.

20.3.13 If Franchisee, any Operating Company, or any Principal is convicted of, or pleads nolo contendere to, a felony, fraud, sale of illegal drugs, crime involving moral turpitude, crime that is directly related to the Franchised Business, or any other crime that Champs Chicken determines will have an adverse effect on the Restaurant, the System, the Marks, the goodwill associated with the Marks, or Champs Chicken's interest in the Marks.

20.3.14 If Franchisee is a business entity, Franchisee's status or existence is suspended, dissolved, or revoked by any court or governmental authority, including the secretary of any state or commonwealth where Franchisee is formed, organized, or doing business.

20.3.15 If Franchisee, any Operating Company, or any Principal intentionally, willfully, or through gross negligence, breaches any covenant, warranty, representation, agreement, or obligation set forth in this Agreement, the Operations Manual, or any Consent to Transfer of Operating Rights.

20.3.16 If Champs Chicken delivers three (3) or more notices of breach to Franchisee or any Operating Company within any twelve (12) consecutive month period, regardless of whether Franchisee or such Operating Company cured the breaches enumerated in such notices, and regardless of whether such notices were for the same or different breaches; provided, however, the second such notice must apply to a breach that occurs or that Champs Chicken discovers at least ten (10) days after the initial breach, and the third such notice must apply to a breach that occurs or that Champs Chicken discovers at least ten (10) days after the second breach.

20.4 Termination by Champs Chicken: Opportunity to Cure. Franchisee will be in material breach of this Agreement, and Champs Chicken will have the right to terminate this Agreement after ten (10) days' written notice of such breach to Franchisee and Franchisee's failure to cure such breach by the end of such time, without further notice or opportunity to cure:

20.4.1 If Franchisee or any Operating Company has not opened Franchisee's Restaurant by the end of the Opening Date. Notwithstanding the foregoing, if Franchisee and Champs Chicken have entered into an Agreement Extending Opening Date as set forth in Section 8.2.1 of this Agreement, Champs Chicken will not have the right of termination set forth in this Section 20.4.1 until the end of the extension of the Opening Date set forth in such Agreement Extending Opening Date.

20.4.2 If Franchisee fails to execute or to cause any and all persons required, by the terms of this Agreement and such schedules and exhibits, to execute: (i) the form of Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C; (ii) the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D; (iii) the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A; or (iv) the Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A: (a) contemporaneously with Franchisee's execution of this Agreement, where such person or entity is, on the Effective Date, within the scope of persons or entities required to execute any or all of such schedules or exhibits; or (b) where such person or entity is not, on Effective Date, within the scope of persons or entities required to execute any or all of such schedules or exhibits, prior to or contemporaneously with such person or entity coming within the scope of persons or entities required to execute any or all of such schedules or exhibits.

20.4.3 If Franchisee or any Operating Company fails to submit to Champs Chicken any Gross Sales Report, Annual Report, Annual Financial Statement, Local Advertising Report, or other report, document, or data Champs Chicken requires.

20.4.4 If Franchisee or any Operating Company fails to pay Champs Chicken or any of Champs Chicken's affiliates any monies Franchisee or such Operating Company is obligated to pay Champs Chicken or such affiliate.

20.4.5 If Franchisee or its Principals are unable to or otherwise fail to complete the training Champs Chicken prescribes, after Champs Chicken affords the re-training opportunities set forth in Section 13.8.1 of this Agreement.

20.4.6 If any alcoholic beverage license or permit related to the Restaurant is revoked or suspended for any reason.

20.4.7 If Franchisee breaches or fails to perform any covenant, warranty, representation, agreement, promise, term, provision, or obligation of Franchisee contained in this Agreement, where such breach or failure is not specifically enumerated in Section 20.3 or this Section 20.4 of this Agreement.

20.5 Conflict of Provisions. In the event of any conflict between Section 20.3 and Section 20.4 of this Agreement, Section 20.3 shall control.

20.6 Cross-Breach. Any breach by Franchisee or any of Franchisee's Principals or affiliates of any other agreement to which Franchisee, such Principals, or such affiliates on the one hand, and Champs Chicken or any of Champs Chicken's affiliates on the other hand, are parties, will be deemed to be a breach of this Agreement, and any breach of this Agreement by Franchisee will be deemed to be a breach of all other agreements to which Franchisee or any of Franchisee's Principals or affiliates on the one hand, and Champs Chicken or any of Champs Chicken's affiliates on the other hand, are parties. If such breach would be grounds for termination of this Agreement by Champs Chicken if the breach had occurred under this Agreement, then Champs Chicken will have the right to terminate this Agreement in the same manner provided in this Agreement for termination of this Agreement. If such breach would be grounds for termination of such other agreements, then Champs Chicken or Champs Chicken's affiliates will have the right to terminate such other agreements in the same manner provided in such other agreements for termination of such other agreements.

20.7 Champs Chicken's Right to Cure. Champs Chicken may, without prejudice to any other right or remedy contained in this Agreement or provided at law or in equity or otherwise, take action to cure any breach by Franchisee by performing any acts Champs Chicken deems necessary to cure the breach. All such cures will be at Franchisee's sole cost and expense, and Franchisee will reimburse Champs Chicken for all costs and expenses Champs Chicken incurs related to such cures, which costs and expenses will include, without limitation, all travel, food, lodging, salary expenses, and benefit costs of Champs Chicken's personnel, and any other costs or expenses, including without limitation Champs Chicken's reasonable attorneys' fees and costs. Champs Chicken will have no obligation to cure such breaches.

20.8 Notice Required By Law. Notwithstanding the termination provisions set forth in Section 20.3 and Section 20.4 of this Agreement, if any Law limits Champs Chicken's rights of termination under this Agreement, or if any Law requires longer notice or cure periods than those set forth in Section 20.3 or Section 20.4, this Agreement will be deemed amended to conform to the minimum notice, cure periods, or restrictions on termination required by such Laws; provided, however, Champs Chicken will not be precluded from contesting the validity, enforceability, or application of such Laws.

21. OBLIGATIONS ON TERMINATION OR EXPIRATION

21.1 General Obligations.

21.1.1 On the termination of this Agreement for any reason, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Franchisee will cease to be an authorized Champs Chicken franchisee and shall have no right to use the System or any part of it.

21.1.2 The termination of this Agreement for any reason, or the expiration of this Agreement without entry into a Replacement Franchise Agreement, will be without prejudice to Champs Chicken's rights against Franchisee. Such termination or expiration will not: (i) relieve Franchisee of any monetary obligation Franchisee owes Champs Chicken or any of Champs Chicken's affiliates; (ii) relieve Franchisee of any other obligations Franchisee owes Champs Chicken or Champs Chicken's affiliates; (iii) affect Champs Chicken's right to damages; or (iv) affect those obligations of Franchisee that by their nature survive such termination or expiration.

21.2 Specific Obligations. In addition to the obligations imposed on Franchisee as a result of Franchisee's loss of the right to use the System as set forth in Section 21.1.1 of this Agreement, on the termination of this Agreement, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Franchisee will, at Franchisee's sole cost and expense, and without payment of any compensation to Franchisee:

21.2.1 Pay Champs Chicken and Champs Chicken's affiliates the full amount of any and all monies Franchisee owes Champs Chicken and Champs Chicken's affiliates, so that Champs Chicken and such affiliates actually receive such payment by the end of five (5) days after the date of such termination or expiration, without demand therefor.

21.2.2 Immediately cease all use of the System.

21.2.3 Immediately cease to use any advertising materials related to the System, as well as any copies, imitations, or derivations of such materials.

21.2.4 Immediately cease to hold itself out in any way as a franchisee of Champs Chicken, or to suggest or represent that Franchisee was formerly a franchisee of Champs Chicken.

21.2.5 Immediately return the Operations Manual and all other rules, guidelines, standards, specifications, plans, programs, and procedures related to the System, together with all copies of any of them, to Champs Chicken.

21.2.6 Take all such actions as may be necessary to cancel any and all assumed name or equivalent registrations related to the Mark "Champs Chicken," and any and all other Marks, or any variant of any of them, by the end of ten (10) days after the date of such termination or expiration.

21.2.7 Take all such actions as may be required to fulfill Franchisee's obligations under the Telephone Numbers and Listings Agreement and the Internet Websites and Listings Agreement, within the times specified in the Telephone Numbers and Listings Agreement and the Internet Websites and Listings Agreement.

21.2.8 Comply fully with, and cause all persons required to execute any or all of them to comply with: (i) the Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C; (ii) the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D; (iii) the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A; (iv) the Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A; and (v) Franchisee's obligations set forth in Section 15 of this Agreement.

21.3 Champs Chicken's Right to Take Possession of Approved Location. On the termination of this Agreement for any reason, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Champs Chicken will have the right, but not the obligation, exercisable by written notice (the "Notice of Intent to Take Possession") delivered to Franchisee by the end of ten (10) days after the date of such termination or expiration, to take possession of the Approved Location. If Champs Chicken elects to take possession of the Approved Location:

21.3.1 Where Franchisee Leases the Approved Location. If Franchisee leases the Approved Location, Franchisee will assign to Champs Chicken any interest Franchisee has in any lease, sublease, right of entry, easement, and similar right for the Approved Location, and vacate the Approved Location, promptly and completely, by the end of ten (10) days after Champs Chicken delivers the Notice of Intent to Take Possession, rendering all assistance necessary or beneficial to Champs Chicken to enable Champs Chicken to take prompt possession; or

21.3.2 Where Franchisee Owns the Approved Location. If Franchisee owns the Approved Location, Franchisee will execute and deliver to Champs Chicken a lease for the Approved Location on commercially reasonable terms and conditions comparable to those prevalent in the geographic area in which the Approved Location is located for similarly-situated tenants. Franchisee and Champs Chicken will work together in good faith to determine the terms and conditions of such lease. If Franchisee and Champs Chicken cannot agree on such terms and conditions by the end of ten (10) days after Champs Chicken delivers the Notice of Intent to Take Possession, Franchisee will appoint one appraiser to determine such terms and conditions, Champs Chicken will appoint one appraiser, and the two appraisers so appointed will select a third appraiser. Franchisee will pay the cost of the appraiser Franchisee appoints, Champs Chicken will pay the cost of the appraiser Champs Chicken appoints, and Franchisee and Champs Chicken will share equally the cost of the third appraiser. Such third appraiser's determination will be final and binding with no appeal therefrom. If Champs Chicken elects to accept such third appraiser's determination, Champs Chicken will promptly notify Franchisee, and Franchisee will execute and deliver to Champs Chicken a lease for the Approved Location on the terms and conditions established by the third appraiser by the end of five (5) days after Champs Chicken delivers such notice to Franchisee. Franchisee will vacate the Approved Location, promptly and completely, by the end of ten (10) days after the date Champs Chicken executes the lease for the Approved Location, rendering all assistance necessary or beneficial to Champs Chicken to enable Champs Chicken to take prompt possession. Champs Chicken may set off against the lease amount any amounts Franchisee or any of Franchisee's affiliates owes Champs Chicken or any of Champs Chicken's affiliates, and may pay out of such lease amount any of Franchisee's unpaid creditors.

21.4 De-Identification of Restaurant.

21.4.1 "De-Identification" shall mean: (i) removing or changing all signage and other trade dress so as to distinguish Franchisee's former Restaurant from its appearance as a Champs Chicken restaurant and from the appearance of other Champs Chicken restaurants generally; (ii) removing all items bearing the Marks; (iii) covering with paint or otherwise obliterating items bearing the Marks, where such items (e.g., wall paintings, color schemes) cannot reasonably be removed; and (iv) otherwise complying with Champs Chicken's then-current de-identification requirements.

21.4.2 If Champs Chicken does not elect to take possession of the Approved Location as set forth in Section 21.3 of this Agreement, Franchisee will De-Identify its former Restaurant so that such De-Identification is completed by the end of ten (10) days after the date Champs Chicken notifies Franchisee that Champs Chicken does not elect to take possession of the Approved Location.

21.4.3 If Franchisee fails to complete the De-Identification set forth in Section 21.4.2 of this Agreement by the end of the date specified in Section 21.4.2, Champs Chicken or its agents may enter onto and into Franchisee's former Restaurant premises and the Approved Location without prior notice to Franchisee, without liability for trespass, and without the need for court order or any other judicial process, and: (i) De-Identify Franchise's former Restaurant premises and the Approved Location; and (ii) take from

Franchisee's former Restaurant premises and the Approved Location, or destroy, as Champs Chicken deems appropriate, any and all items Champs Chicken or its agents remove in the course of such De-Identification.

21.4.3.1 Franchisee will provide Champs Chicken and its agents with immediate, full, complete, and unfettered access to Franchisee's former Restaurant premises and the Approved Location so that Champs Chicken and its agents may complete such De-Identification.

21.4.3.2 Franchisee will immediately provide Champs Chicken and its agents with all assistance Champs Chicken and its agents may request in the course of such De-Identification.

21.4.3.3 Franchisee will not impair, impede, hinder, or delay, and will not attempt to impair, impede, hinder, or delay, Champs Chicken or its agents in the course of such De-Identification.

21.4.3.4 Franchisee will pay, immediately on Champs Chicken's demand for payment, all costs and expenses Champs Chicken and its agents may incur in connection with such De-Identification, which costs and expenses shall include, without limitation, Champs Chicken's attorneys' fees and costs.

21.5 Champs Chicken's Right to Purchase Assets of Franchised Business. On the termination of this Agreement for any reason, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Champs Chicken will have the right, but not the obligation, exercisable by written notice (the "Notice of Intent to Purchase Assets") delivered to Franchisee by the end of thirty (30) days after the date of termination or expiration, to purchase any or all of Franchisee's physical assets used in the Franchised Business. There will be no compensation for goodwill, and the purchase price for such assets will be equal to their fair market value less such goodwill. If Franchisee and Champs Chicken cannot agree on the purchase price for the assets that Champs Chicken desires to purchase by the end of ten (10) days after Champs Chicken delivers the Notice of Intent to Purchase Assets, Franchisee will appoint one appraiser to determine such fair market value, Champs Chicken will appoint one appraiser, and the two appraisers so appointed will select a third appraiser. Franchisee will pay the cost of the appraiser Franchisee appoints, Champs Chicken will pay the cost of the appraiser Champs Chicken appoints, and Franchisee and Champs Chicken will share equally the cost of the third appraiser. Such third appraiser's decision will be final and binding with no appeal therefrom. If Champs Chicken elects to accept such third appraiser's determination, Champs Chicken will promptly notify Franchisee, and the closing of the purchase will take place at a location, and on a date, Champs Chicken chooses, and will be completed in accordance with all applicable bulk sales Laws. At closing, Franchisee will deliver to Champs Chicken a bill of sale for the assets, in a form acceptable to Champs Chicken. Champs Chicken may set off against the purchase price any amounts Franchisee or any of Franchisee's affiliates owes Champs Chicken or any of Champs Chicken's affiliates, and to pay out of the purchase price any of Franchisee's unpaid creditors.

21.6 Champs Chicken's Right to Obtain Liquor License.

21.6.1 On the termination of this Agreement for any reason, or on the expiration of this Agreement without entry into a Replacement Franchise Agreement, Champs Chicken will have the right, but not the obligation, exercisable by written notice (the "Notice of Intent to Require Transfer of Liquor License") delivered to Franchisee by the end of ten (10) days after such termination or expiration, to require Franchisee to transfer any and all rights and interests Franchisee, any Operating Company, any Principal, any affiliate, or any other person or entity under Franchisee's or any Principal's control or right of control (collectively, a "Licensed Party") has in all alcoholic beverage licenses and permits related to the Restaurant (collectively, the "Liquor License") to Champs Chicken or Champs Chicken's designee, at Franchisee's sole cost and expense. Franchisee will have five (5) days after Champs Chicken delivers the Notice of

Intent to Require Transfer of Liquor License to commence all procedures necessary to transfer or relocate such Liquor License to Champs Chicken or, if Champs Chicken designates another party to receive such Liquor License, to such designee, and to notify Champs Chicken in writing of such commencement. Such Licensed Party must promptly use all commercially reasonable efforts to obtain the necessary approvals from all governmental authorities for the prompt transfer or relocation of the Liquor License, at Franchisee's or such Licensed Party's sole cost and expense.

21.6.2 If Law does not permit the transfer or relocation of any Liquor License, Champs Chicken will have the right, but not the obligation, exercisable by written notice (the "Notice of Intent to Obtain New Liquor License") delivered to Franchisee by the end of ten (10) days after termination of this Agreement for any reason, or by the end of ten (10) days after the expiration of this Agreement without entry into a Replacement Franchise Agreement, to require Franchisee to assist Champs Chicken or Champs Chicken's designee to obtain a new Liquor License. Franchisee will have five (5) days after Champs Chicken delivers the Notice of Intent to Obtain New Liquor License to commence all procedures necessary to apply for a new Liquor License in Champs Chicken's name or the name of Champs Chicken's designee, and to notify Champs Chicken in writing of such commencement, at Franchisee's sole cost and expense. Licensed Party shall join and cooperate with Champs Chicken in promptly procuring a new Liquor License.

21.6.3 Licensed Party and Champs Chicken shall immediately fulfill all directives and requirements from all applicable authorities in order to expedite the transfer or relocation of the existing Liquor License or the acquisition of a new Liquor License.

21.6.4 Franchisee shall pay, or promptly arrange for the full payment of, all taxes of any nature or kind whatsoever, including without limitation property taxes, personal property taxes, sales, use, withholding, and any other taxes, that may affect title or the rights to any Liquor License in any way.

21.7 Damages for Termination of Agreement or Closure of Restaurant. Except as permitted by Section 20.1 of this Agreement, any termination of this Agreement prior to the expiration of the Initial Term, or any closure or cessation of operation of a Restaurant, will deprive Champs Chicken of the benefit of the bargain Champs Chicken is entitled to receive under this Agreement. As a result, Franchisee hereby covenants, warrants, represents, and agrees that: (i) if Champs Chicken terminates this Agreement prior to the expiration of the Initial Term; or (ii) if Franchisee closes or ceases to operate a Restaurant, but such closure or cessation of operation does not involve or is not accompanied by termination of this Agreement, then Franchisee will pay Champs Chicken actual damages equal to: (a) the loss of the benefit of the bargain Champs Chicken would have received had Franchisee fully performed its obligations; plus (b) Champs Chicken's out-of-pocket costs and expenses, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of appeal, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection; plus (c) such additional damages as Champs Chicken may demonstrate.

21.8 Liquidated Damages if Franchisee Breaches Obligations On Termination. Franchisee acknowledges and agrees that:

21.8.1 Any breach by Franchisee of its obligations set forth in Section 21.2.2 through Section 21.2.8 of this Agreement will deprive Champs Chicken of the full value of the System, will require Champs Chicken to bear additional costs and expenses, and will otherwise materially damage Champs Chicken. As a result, Franchisee will pay Champs Chicken, in addition to the amounts set forth in Section 21.7 of this Agreement, as liquidated damages for such breach, an amount equal to Two Hundred Fifty and No/100 Dollars ($250) per day multiplied by the then-current number of days that Franchisee is not in compliance with Section 21.2.2 through Section 21.2.8.

21.8.2 Any breach by Franchisee of its obligations set forth in Sections 21.3, 21.4, 21.5, or 21.6 of this Agreement will deprive Champs Chicken of the full value of the System, will damage the goodwill in the System, will damage Champs Chicken's ability to compete in the marketplace, will deprive Champs Chicken of revenue, will require Champs Chicken to bear additional costs and expenses, and will otherwise materially damage Champs Chicken. As a result, Franchisee will pay Champs Chicken, in addition to the amounts set forth in Sections 21.7 and 21.8.1 of this Agreement, as liquidated damages for each such breach, an amount equal to One Thousand Two Hundred Fifty and No/100 Dollars ($1,250) per day per breach of each of Sections 21.3, 21.4, 21.5, and 21.6.

21.9 Acknowledgments and Agreements; Increase in CPI; Injunctive Relief.

21.9.1 Acknowledgments and Agreements. Franchisee acknowledges and agrees, and Franchisee hereby directs any third party construing this Agreement, including without limitation any court, mediator, master, or other party acting as trier of fact or law, to conclusively presume, that the damages set forth in Section 21.8 of this Agreement: (i) are true liquidated damages; (ii) are intended to compensate Champs Chicken for the damage Champs Chicken will suffer; (iii) are not a penalty for breaching this Agreement or for any other reason; (iv) are at the low end of the range of reasonable estimates of Champs Chicken's probable damage resulting from Franchisee's breaches, viewed as of the Effective Date of this Agreement; (v) will be in lieu of, and not in addition to, actual damages for loss of the benefit of the bargain that Champs Chicken is entitled to receive; and (vi) will, subject to Clause (v) above, be in addition to all other rights Champs Chicken has to legal or equitable or other relief.

21.9.2 Increase in Consumer Price Index. Franchisee acknowledges and agrees that Champs Chicken may adjust the amount of the liquidated damages set forth in Section 21.8 of this Agreement based on the increase, if any, in the Metropolitan Area Consumer Price Index for All Urban Consumers-All Items, published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index, during the period beginning with the Effective Date of this Agreement, through most recent date that such increase is published prior to the date that Champs Chicken delivers its demand for payment of such liquidated damages.

21.9.3 Injunctive Relief. Franchisee acknowledges and agrees that any breach of Franchisee's obligations set forth in Section 21.2.2 through Section 21.2.8 of this Agreement, and any breach of Franchisee's obligations set forth in Sections 21.3, 21.4, 21.5, or 21.6 of this Agreement, will cause Champs Chicken irreparable harm, and that Champs Chicken has no adequate remedy at law for such breach in that money damages do not afford Champs Chicken complete relief. Therefore, Franchisee agrees that Champs Chicken, in addition to the damages set forth in Section 21.7, Section 21.8, and Section 21.10 of this Agreement, will have the right to injunctive relief, including without limitation a decree for specific performance, to compel Franchisee's compliance with Sections 21.2.2 through 21.2.8, and with Sections 21.3, 21.4, 21.5, or 21.6, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

21.10 Actual Damages. Notwithstanding anything set forth in Section 21.8 of this Agreement to the contrary, if applicable Law does not permit Champs Chicken to collect the liquidated damages set forth in Section 21.8 of this Agreement, Franchisee will pay Champs Chicken actual damages equal to: (i) the loss of the benefit of the bargain Champs Chicken would have received had Franchisee fully performed its obligations; plus (ii) Champs Chicken's out-of-pocket costs and expenses, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of appeal, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection; plus (iii) such additional damages as Champs Chicken may demonstrate.

21.11 Payment of Damages. Franchisee will pay all amounts set forth in Section 21.7, Section 21.8, and Section 21.10 of this Agreement so that Champs Chicken actually receives each such payment by the end of ten (10) days after demand for such payment.

21.12 Delivery of Materials. Franchisee will deliver all materials required to be delivered by Franchisee under this Section 21 to Champs Chicken, expenses prepaid, free and clear of all charges and liens.

22. MISCELLANEOUS PROVISIONS

22.1 Additions or Improvements; Works Made for Hire. If Franchisee develops any addition or improvement to any aspect of the System, including without limitation any addition or improvement to the Products or Services, or any addition or improvement to any recipe, ingredient, design, training, rule, guideline, standard, specification, plan, program, procedure, Mark, or advertising or promotional program or material, or otherwise: (i) such addition or improvement shall be deemed to be a work made for hire, notwithstanding any designation of Franchisee in this Agreement as an independent contractor; and (ii) Franchisee shall immediately convey any such addition or improvement to Champs Chicken, and such addition or improvement shall become Champs Chicken's sole and exclusive property, which Champs Chicken may use, license for use, assign, modify, publish, or sell, all without payment of any compensation to Franchisee.

22.2 Delivery of Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given: (i) when delivered in person by the other party; (ii) one (1) business day after being sent by reputable commercial courier service for next business day delivery; (iii) five (5) business days after being deposited in the United States mail for certified or registered delivery, return receipt requested, postage prepaid; or (iv) on the intended recipient's failure or refusal to accept delivery of any notice given pursuant to this Section 22.2, which failure or refusal shall be deemed constructive delivery effective on the earlier of the date of such refusal or the dates set forth in Clauses (i) through (iii) of this Section 22.2. UPS, Federal Express, and any successors thereto shall conclusively be deemed "reputable commercial courier services."

22.2.1 Notice to Champs Chicken.

22.2.1.1 Franchisee will address notice to Champs Chicken, where such notice is delivered by commercial courier service, to:

Champs Chicken Franchising, LLC
170 Commerce Drive
Holts Summit, Missouri 65043

22.2.1.2 Franchisee will address notice to Champs Chicken, where such notice is delivered by certified or registered U.S. Mail, to:

Champs Chicken Franchising, LLC
P.O. Box 160
Holts Summit, Missouri 65043

22.2.1.3 Franchisee must deliver a simultaneous written copy of any notice to Champs Chicken to:

Avery Korman, Esq.
Spadea Lignana, LLC
232 N. 2nd Street
Philadelphia, Pennsylvania 19106

22.2.1.4 Delivery of the copy set forth in Section 22.2.1.3 of this Agreement: (i) shall not constitute notice; and (ii) shall be an express condition precedent to the validity of any notice Franchisee delivers to Champs Chicken.

22.2.2 Notice to Franchisee.

22.2.2.1 Champs Chicken will direct notice to Franchisee to Franchisee's principal business address set forth on the Franchise Summary of this Agreement, to the attention of Franchisee (if Franchisee is an individual) or to the attention of Franchisee's President (if Franchisee is a business entity).

22.2.2.2 Champs Chicken will direct copies of notices to Franchisee to Franchisee's attorney or business advisor set forth in the Franchise Summary of this Agreement.

22.2.3 Other Addresses. Either party may designate another address or other addressees at any time by delivering written notice to the other as set forth in this Section 22.2.

22.3 Further Assurances. Franchisee hereby covenants, warrants, represents, and agrees that: (i) it will perform such acts, and will execute and deliver such agreements and other documents to Champs Chicken, as Champs Chicken may deem necessary or beneficial to effect the intent of this Agreement; (ii) it will not condition the performance of such acts or the execution and delivery of such agreements and other documents; (iii) it will not delay the performance of such acts; and (iv) it will deliver such agreements and other documents, duly notarized if Champs Chicken requires that such agreements and other documents be notarized, to Champs Chicken so that Champs Chicken actually receives such agreements and other documents by the end of ten (10) days after Champs Chicken delivers them to Franchisee for execution.

22.4 Force Majeure. In the event of an act of God, terror, war, insurrection, civil commotion, strike, slowdown, lockout, or embargo; or lack of fuel, other materials, or telephone transmissions specified or reasonably necessary in connection with the Franchised Business or the System; or fire, unavoidable casualties, and any other occurrence, event, or condition beyond the reasonable control of Franchisee or Champs Chicken, whichever is applicable (a "Force Majeure"), Franchisee or Champs Chicken, as applicable, will be relieved of Franchisee's or Champs Chicken's respective obligations to the extent that Franchisee or Champs Chicken is necessarily prevented, or materially hindered or delayed, in such performance during the period of such Force Majeure. The party whose performance is affected by a Force Majeure shall give prompt, written notice to the other party of such Force Majeure.

22.5 Estoppel Certificates. From time to time, on Champs Chicken's request, Franchisee will duly complete, execute, and deliver to Champs Chicken an estoppel certificate in substantially the form attached to this Agreement as Schedule I (the "Estoppel Certificate"). Franchisee will deliver a duly completed, executed original of each such Estoppel Certificate so that Champs Chicken actually receives such Estoppel Certificate by the end of ten (10) days after Champs Chicken delivers it to Franchisee for execution. Franchisee hereby directs any third party deciding any allegation by Franchisee that Champs Chicken breached this Agreement, including without limitation any court, mediator, master, or other party acting as trier of fact or law, to conclusively presume that if Franchisee certified in the Estoppel Certificate that Champs Chicken was not in breach of this Agreement, then Champs Chicken was not in breach of this Agreement as of the date of such Estoppel Certificate.

22.6 Resolution of Disputes.

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

22.6.2 Contractual Repose and Limitations Periods. A party that has any claim against the other shall have the lesser of: (i) two (2) years from the date such claim accrued (the "Repose Period"); or (ii) one (1) year from the date the first party became aware of, or with reasonable diligence should have become aware of, the facts giving rise to such claim (the "Limitations Period"), within which to settle such claim or to commence a legal action with respect to such claim, or such claim shall be barred. A counterclaim, crossclaim, or affirmative defense shall be barred if the Repose Period or Limitations Period, as applicable, would bar such counterclaim, crossclaim, or affirmative defense, if the basis for such counterclaim, crossclaim, or affirmative defense were raised as an independent "claim." Notwithstanding anything set forth in this Section 22.6.2 to the contrary, such Repose Period and Limitations Period shall not: (a) apply to; (b) preclude claims, counterclaims, crossclaims, or affirmative defenses regarding; or (c) otherwise bar or limit, Champs Chicken's rights arising out of or related to amounts Franchisee owes Champs Chicken.

22.6.3 Waiver or Delay. Except as otherwise set forth in Section 22.6.2 of this Agreement, no waiver or delay by either party in requiring strict compliance with respect to any obligation of this Agreement, or in the exercise of any right or remedy provided in this Agreement, and no custom or practice at variance with the requirements of this Agreement: (i) shall constitute a waiver or modification of any such obligation, right, remedy, or requirement; (ii) shall preclude, affect, or impair the exercise of any such right or remedy; (iii) shall preclude, affect, or impair the right to require strict compliance with any obligation or requirement set forth in this Agreement; or (iv) shall preclude, affect, or impair enforcement of any obligation, right, remedy, or requirement provided in this Agreement. All remedies under this Agreement, at law, in equity, or otherwise, afforded to either party, shall be cumulative and not alternative, and may be exercised simultaneously or sequentially in any order.

22.6.4 Governing Law. Except as otherwise set forth in this Agreement, the existence, validity, construction, enforcement, and sufficiency of performance of this Agreement shall be determined exclusively in accordance with, and governed exclusively by, the laws of the State of Delaware applicable to agreements made and to be entirely performed within the State of Delaware, which laws shall prevail in the event of any conflict of laws. Notwithstanding the foregoing, all litigation hereunder, to the extent governed by the United States Trademark Act of 1946, shall be governed by such Trademark Act of 1946. Franchisee and Champs Chicken expressly agree that this Agreement has been made in the State of Delaware.

22.6.5 Forum, Venue, and Jurisdiction. In the event of any litigation arising out of or related to this Agreement, including without limitation any litigation arising out of or related to the making of this Agreement, the exclusive forum and venue for such litigation shall be a state or federal court having jurisdiction over the subject matter in or for the city or county where Champs Chicken's principal place of business is located. Franchisee hereby irrevocably accepts and submits to, generally and unconditionally, for itself and with respect to Franchisee's property, the exclusive jurisdiction of any such court in any such action or proceeding and hereby waives all defenses based on jurisdiction, venue, and forum non conveniens.

22.6.6 Waiver of Trial by Jury. CHAMPS CHICKEN AND FRANCHISEE HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATED TO: (I) THIS AGREEMENT; AND (II) THE RELATIONSHIP BETWEEN THE PARTIES.

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

22.6.8 Continuation After Termination or Expiration. The provisions set forth in this Section 22.6 shall remain in full force and effect after the termination or expiration of this Agreement.

23. ACKNOWLEDGMENTS

23.1 Limitation on Parties to Obligations.

23.1.1 Champs Chicken's Obligations Are Owed to Franchisee Only. Franchisee acknowledges and agrees that: (i) all obligations Champs Chicken owes under this Agreement are owed to Franchisee only; and (ii) no other person or entity, including without limitation Franchisee's affiliates, and Franchisee's and such affiliates' directors, officers, shareholders, partners, members, employees, and agents, and the predecessors, successors, heirs, and assigns of any of them, shall be entitled to rely on, enforce, or obtain relief for breach of, any of Champs Chicken's obligations arising out of or related to this Agreement, whether directly, indirectly, by subrogation, as an intended third-party beneficiary, or otherwise.

23.1.2 Obligations to Franchisee Are Owed by Champs Chicken Only. Franchisee acknowledges and agrees that: (i) all obligations of Champs Chicken under this Agreement are owed by Champs Chicken only; and (ii) no other person or entity, including without limitation Champs Chicken's officers, members, employees, agents, and attorneys, and Champs Chicken's affiliates and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any of them, shall be subject to liability under this Agreement.

23.2 Champs Chicken's Right to Receive Revenue from Purchases.

23.2.1 Franchisee acknowledges and agrees that Champs Chicken and Champs Chicken's affiliates shall have the right to enter into agreements with third parties, including without limitation suppliers and distributors of Products and Services, Proprietary Products, Non-Proprietary Products, and other products, equipment, services, supplies, and merchandise, pursuant to which agreements Champs Chicken and Champs Chicken's affiliates may derive revenue and profits, and other benefits, such as rebates, discounts, and allowances, as a result of purchases Champs Chicken requires Franchisee to make from such third parties.

23.2.2 Franchisee acknowledges and agrees that Champs Chicken may require Franchisee to purchase Products and Services, Proprietary Products, Non-Proprietary Products, and other products, equipment, services, supplies, and merchandise, from Champs Chicken and Champs Chicken's affiliates, and that Champs Chicken and Champs Chicken's affiliates may derive revenue, profits, and other benefits from purchases Champs Chicken requires Franchisee to make from Champs Chicken and such affiliates.

23.2.3 Franchisee acknowledges and agrees that all revenue, profits, and other benefits set forth in Section 23.2.1 and Section 23.2.2 of this Agreement shall be the sole and exclusive property of Champs Chicken and Champs Chicken's affiliates, and that Franchisee shall not have any rights to such revenue, profits, and other benefits.

23.3 Business Risks. Franchisee acknowledges and agrees that Franchisee has conducted an independent investigation of the business contemplated by this Agreement, recognizes that it involves business risks, and recognizes that making a success of the Franchised Business depends largely on Franchisee's own business abilities.

23.4 Review of Documents. Franchisee acknowledges and agrees that: (i) Champs Chicken's review of any lease or other agreement Franchisee proposes to enter into is intended solely to ensure that Champs Chicken's interests are adequately protected; (ii) Champs Chicken is not undertaking any such review on Franchisee's behalf or for Franchisee's benefit; (iii) Champs Chicken's review will not replace review by Franchisee and Franchisee's accountants, attorneys, and other business advisors; and (iv) Champs Chicken will have no responsibility or liability related to such review.

23.5 Variances. Franchisee acknowledges and agrees that: (i) Champs Chicken may from time to time approve exceptions or modifications to the standards and specifications of the System as to one or more other franchisees, principals, or otherwise (including without limitation exceptions or modifications to the amount and payment terms of any fee) that Champs Chicken deems necessary or desirable under the particular circumstances (such exceptions or modifications being referred to in this Agreement as the "Variances"); (ii) Franchisee will have no right to require Champs Chicken to disclose any Variances to Franchisee or to grant Franchisee the same or similar Variances; and (iii) other franchisees, whether existing now or in the future, may operate under different forms of agreements, and as a result their rights and obligations may differ materially from Franchisee's.

24. CONSTRUCTION OF AGREEMENT

24.1 Reasonable Business Judgment. As noted in Section 2.4 of this Agreement, Champs Chicken acknowledges and agrees that Champs Chicken will, and Franchisee acknowledges and agrees that Champs Chicken may, use Reasonable Business Judgment in the exercise of Champs Chicken's rights, discharge of Champs Chicken's obligations, and exercise of Champs Chicken's discretion under this Agreement, and in all circumstances where Champs Chicken is required to give its consent, unless this Agreement expressly provides some other standard. "Reasonable Business Judgment" shall mean that Champs Chicken's determinations and choices shall prevail, even if other alternatives are also reasonable or arguably preferable, if Champs Chicken intends to benefit, or is acting in a way that could benefit, the System (by, for example, enhancing the value of the Marks, increasing franchisee or guest satisfaction, or increasing Champs Chicken's financial strength); or if Champs Chicken intends to prevent harm to, or is acting in a way that could prevent harm to, the System (by, for example, minimizing possible confusion as to the Marks or the location of any restaurant, protecting the public, or protecting Franchisee's or Champs Chicken's personnel). Franchisee agrees to this concept of Reasonable Business Judgment in acknowledgment of the fact that Champs Chicken should have at least as much discretion in administering the System as a corporate board of directors has in directing a corporation and because the long-term interests of the System, all franchisees and owners of franchised businesses in the System, and Champs Chicken and Champs Chicken's owners, taken together, require that Champs Chicken have the latitude to exercise Reasonable Business Judgment. Champs Chicken shall not be required to consider a franchisee's particular economic or other circumstances or to slight Champs Chicken's own economic or other business interests when Champs Chicken exercises Reasonable Business Judgment. Franchisee acknowledges and agrees that: (i) Champs Chicken has a legitimate interest in seeking to maximize the return to Champs Chicken's equityholders; and (ii) the fact that Champs Chicken benefits economically from an action shall not be relevant to showing that Champs Chicken did not exercise Reasonable Business Judgment. Neither Franchisee nor any third party (including without limitation any court, mediator, master, or other party acting as trier of fact or law) may substitute his, her, or its judgment for Champs Chicken's Reasonable Business Judgment. In a given situation, Franchisee shall have the burden of establishing, by clear and convincing proof, that Champs Chicken failed to exercise Reasonable Business Judgment.

24.2 Time is of the Essence. Time is of the essence to the performance of all obligations of the parties to be performed under this Agreement.

24.3 Calculation of Days. Except where this Agreement expressly requires "business days" in any calculation of time, all references to "days" shall mean "calendar days."

24.4 Merger; Entire Agreement. This Agreement, including the schedules, exhibits, addenda, and attachments to this Agreement, is a complete integration that sets forth the entire agreement between Franchisee and Champs Chicken, fully superseding any and all prior negotiations, agreements, representations, and understandings between Franchisee and Champs Chicken, whether oral or written, related to the subject matter of this Agreement. Franchisee and Champs Chicken hereby expressly agree that there are no other oral or written agreements, "side-deals," arrangements, or understandings between Franchisee and Champs Chicken except as expressly set forth in this Agreement. No course of dealing, whether occurring before or after the Effective Date of this Agreement, shall operate to amend, modify, terminate, or waive any express written provision of this Agreement. Nothing set forth in this Agreement or in any related agreement is intended to disclaim representations made in the Franchise Disclosure Document that Champs Chicken delivered to Franchisee prior to the Effective Date of this Agreement.

24.5 Amendments to Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement may be amended only by a written agreement signed by officers of Franchisee and Champs Chicken.

24.6 Successors. Subject to the restrictions on transfer set forth in Section 18 of this Agreement, this Agreement shall be binding on, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties.

24.7 No Implied Covenant. Franchisee and Champs Chicken have negotiated the provisions of this Agreement and agree that neither party will claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written provision of this Agreement.

24.8 Partial Invalidity. If any provision of this Agreement is declared invalid or unenforceable by a court having jurisdiction over the parties and the subject matter, such provision shall be modified to the minimum extent necessary to make it valid and enforceable; and if it cannot be so modified, then severed. The balance of the Agreement shall remain in full force and effect, and the parties agree that they would have signed this Agreement as so modified.

24.9 Interpretation.

24.9.1 The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes, and shall in no event be considered prefatory material or mere surplusage.

24.9.2 The table of contents and section headings in this Agreement are inserted for convenience only and shall not affect the meaning or construction of this Agreement.

24.9.3 Except as otherwise set forth in this Agreement, the language of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either party.

24.9.4 Both parties are skilled and experienced business professionals, and both have contributed to the negotiation and drafting of this Agreement. As a result, in no event may any adverse construction of this Agreement be attributed to either party as the drafting party.

24.9.5 "Herein," "hereof," "hereunder," and similar references refer to this Agreement as a whole and not to any particular part.

24.9.6 Words importing the singular number shall include the plural and vice-versa, and words importing the masculine gender shall include the feminine and neuter genders and vice-versa.

24.9.7 The word "including" means "including without limiting the scope or generality of" any requirement or description related to such word.

24.9.8 Where this Agreement uses the word "expressly," it means that the matter at issue must be stated with specificity, and not left to inference or implication.

24.9.9 References to documents, instruments, or agreements shall be deemed to refer as well to all schedules, exhibits, addenda, attachments, and amendments thereto.

24.10 Survival of Obligations. All obligations of this Agreement, whether Franchisee's or Champs Chicken's, that expressly or by their nature require performance after the termination or expiration of this Agreement, or that by their nature would reasonably be expected to continue in effect after termination or expiration of this Agreement, including without limitation the Personal Guaranty of Franchisee's Principals attached to this Agreement as Schedule C, the Confidentiality and Non-Compete Agreement attached to this Agreement as Schedule D, the Individual Confidentiality Agreement attached to the Confidentiality Agreement as Exhibit A, the Individual Covenant Not to Compete attached to the Covenant Not to Compete as Exhibit A, the Internet Advertising, Social Media, Software and Telephone Account Agreement attached to this Agreement as Schedule E, shall continue in full force and effect after and notwithstanding this Agreement's termination or expiration, until they are satisfied in full or by their nature expire.

24.11 Submission of Agreement. Submission of this Agreement to Franchisee does not constitute an offer to enter into a contract. This Agreement shall become effective only on its execution by Franchisee and Champs Chicken, and shall not be binding on Champs Chicken unless and until it is signed by Champs Chicken's authorized officer and delivered to Franchisee.

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

CHAMPS CHICKEN:	**FRANCHISEE:**
CHAMPS CHICKEN FRANCHISING, LLC	
By: ______________________________	By: ______________________________
Shawn Burcham	
Title: Chief Executive Officer	Title:

SCHEDULE A

FRANCHISEE'S DEVELOPMENT AREA, OWNERSHIP, AND RELATED MATTERS

FRANCHISEE'S DEVELOPMENT AREA, OWNERSHIP, AND RELATED MATTERS

1. **Development Area**.

Franchisee's Development Area shall be all that area within:

as the borders of such Development Area are configured as of the Effective Date of the Franchise Agreement.

2. **Territory**.

Franchisee's Territory shall consist of the following:

____

Franchised Business Address:

____
____
____

3. **Ownership**. Name and address of each of Franchisee's Principals, and percentage of equity each such Principal owns or holds:

____ ____ ____ ____ ____ Percent of Equity Owned or Held: _________%	____ ____ ____ ____ ____ Percent of Equity Owned or Held: _________%
____ ____ ____ ____ ____ Percent of Equity Owned or Held: _________%	____ ____ ____ ____ ____ Percent of Equity Owned or Held: _________%

SCHEDULE B

OPTION ADDENDUM

OPTION ADDENDUM

THIS OPTION ADDENDUM (the "Option Addendum") is made and entered into the ______ day of __________________, 20____ (the "Effective Date"), by and between Champs Chicken Franchising, LLC, a Delaware limited liability company ("Champs Chicken"), and _____________ ___________________________, a ___________ _____________________ ("Franchisee").

RECITALS

A. Champs Chicken is the franchisor and Franchisee is the franchisee under that certain Champs Chicken® franchise agreement between Franchisee and Champs Chicken of even date with this Option Addendum (such franchise agreement, together with all schedules, exhibits, addenda, attachments, and amendments to it, being referred to collectively in this Option Addendum as the "Franchise Agreement").

B. Franchisee and Champs Chicken mutually desire to enter into this Option Addendum, to grant Franchisee the right to develop, open, and operate the additional Champs Chicken restaurants (the "Additional Restaurants") set forth in the table contained in Section 4 of this Option Addendum (the "Development Schedule") under the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Option Addendum, and in further consideration of the Franchise Agreement and the mutual promises and commitments set forth therein, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Option Addendum hereby agree as follows:

1. **Grant of Right to Develop, Open, and Operate Additional Restaurants**. Champs Chicken hereby grants to Franchisee, and Franchisee hereby accepts from Champs Chicken, the option to develop, open, and operate the Additional Restaurants set forth in the Development Schedule, within the territory set forth on Exhibit A to this Option Addendum (the "Option Territory"), under the Franchise Agreement, as set forth in the Franchise Agreement and this Option Addendum (collectively, the "Option").

2. **Option Deposit**. Franchisee will pay Champs Chicken a deposit (the "Option Deposit") in the amount set forth in the Franchise Summary of the Franchise Agreement for each Additional Restaurant set forth in the Development Schedule, contemporaneously with Franchisee's delivery of this Option Addendum, executed by Franchisee, to Champs Chicken. All Option Deposits that Franchisee is obligated to pay Champs Chicken under this Option Addendum shall be deemed fully earned and nonrefundable on Champs Chicken's execution of this Option Addendum, in consideration of Champs Chicken's grant of the rights set forth in this Option Addendum, Champs Chicken's costs and expenses related to this Option Addendum, and otherwise.

3. **Option Fee**. Franchisee will pay Champs Chicken a fee (the "Option Fee") in the amount set forth in the Franchise Summary of the Franchise Agreement for each Option that Franchisee exercises pursuant to this Option Addendum, contemporaneously with Franchisee's exercise of such Option, as set forth in Section 6.1 of this Option Addendum.

4. **Time Periods**. The Option to develop, open, and operate each Additional Restaurant shown in the Development Schedule may be exercised by Franchisee only by the end of the Latest Exercise Date that applies to such Option, which Latest Exercise Date is shown in the Development Schedule as follows:

Development Schedule		
Additional Restaurant No.	**Latest Exercise Date (On or Before)**	**Latest Opening Date (On or Before)**
1		
2		
3		
4		
5		

5. **Option Territory**. The site of any Additional Restaurant as to which Franchisee exercises an Option must be within the Option Territory.

6. **Exercise of Option**.

6.1 To exercise an Option, Franchisee must deliver to Champs Chicken: (i) written notice that Franchisee is exercising the Option; and (ii) the Option Fee for such Option, so that Champs Chicken actually receives such notice and Option Fee by the end of the Latest Exercise Date that applies to such Option.

6.2 If Franchisee fails to exercise any Option by the end of the Latest Exercise Date that applies to such Option, or if Franchisee fails to open any Additional Restaurant by the end of the Latest Opening Date that applies to such Option, or if Franchisee fails to perform any other act set forth in Section 6.1 of this Option Addendum by the end of the date required: (i) such failure shall be conclusively deemed to be an election by Franchisee not to exercise any of Franchisee's remaining Option rights set forth in this Option Addendum; (ii) all of Franchisee's rights set forth in this Option Addendum shall expire automatically and without further notice; and (iii) Champs Chicken shall have the right to retain all Option Deposits and Option Fees that Franchisee paid.

6.3 Provided Franchisee exercises an Option in the manner described in Section 6.1 of this Option Addendum, and on Champs Chicken's approval of the Proposed Site in accordance with Section 6 of the Franchise Agreement, Champs Chicken will deliver to Franchisee an addendum to the Franchise Agreement designating such Proposed Site as an Approved Location, as defined in the Franchise Agreement, in the form attached to this Option Addendum as Exhibit B or in Champs Chicken's then-current form (the "Approved Location Addendum"). Franchisee will duly execute the Approved Location Addendum, and will deliver the duly-executed Approved Location Addendum to Champs Chicken, so that Champs Chicken actually receives such Approved Location Addendum by the end of ten (10) days after Champs Chicken delivers such Approved Location Addendum to Franchisee.

7. **Conditions Precedent to Exercise of Option**.

7.1 Franchisee's right to exercise an Option to develop, open, and operate an Additional Restaurant pursuant to this Option Addendum is expressly subject to Franchisee's satisfaction of the following conditions precedent:

7.1.1 At the time Franchisee desires to exercise any such Option, Franchisee must be in compliance with all provisions of: (i) the Franchise Agreement; and (ii) all other agreements to which

Champs Chicken or any of Champs Chicken's affiliates on the one hand, and Franchisee or any of Franchisee's affiliates on the other hand, are parties.

7.1.2 Franchisee must have substantially complied with all of the provisions of the Franchise Agreement during so much of the Term of the Franchise Agreement as has expired.

7.1.3 Franchisee and all of Franchisee's affiliates must have substantially complied with all provisions of all other agreements to which Champs Chicken or any of Champs Chicken's affiliates on the one hand, and Franchisee or any of Franchisee's affiliates on the other hand, are parties, during the terms of such other agreements.

7.2 If the Franchise Agreement is terminated or expires, the grant of rights set forth in Section 1 of this Option Addendum shall automatically terminate or expire simultaneously with such termination or expiration of the Franchise Agreement, and Champs Chicken shall have the right to retain all Option Deposits and Option Fees that Franchisee paid.

8. **Franchise Agreement**. On Franchisee's and Champs Chicken's execution of the Approved Location Addendum, Franchisee and Champs Chicken will be bound by all provisions of the Franchise Agreement as to the Additional Restaurant that is specified in the Approved Location Addendum; provided, however, notwithstanding anything set forth in the Franchise Agreement to the contrary: (i) the Opening Date of any Additional Restaurant shall be the Latest Opening Date set forth in the Development Schedule, and not the Opening Date set forth in Section 8.1 of the Franchise Agreement; and (ii) the Initial Term of the Franchise as to such Additional Restaurant shall be fifteen (15) years from the Latest Opening Date set forth in the Development Schedule, and not fifteen (15) years from the Effective Date of the Franchise Agreement.

9. **No Franchise Conveyed**.

9.1 Franchisee is a franchisee of Champs Chicken. Franchisee hereby acknowledges and agrees that the exercise of an Option under this Option Addendum: (i) is not the sale of a franchise; (ii) is not a grant of new franchise rights; (iii) is the addition to the existing Franchise Agreement of the Restaurant that relates to such Option; and (iv) as a result of the matters set forth in Clauses (i), (ii), and (iii) of this Option Addendum, is outside the scope of any and all laws governing franchise disclosure.

9.2 Franchisee hereby covenants, warrants, represents, and agrees that Franchisee will not: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to Champs Chicken or its affiliates, or Champs Chicken's or such affiliates' directors, officers, shareholders, partners, members, employees, agents, or attorneys, alleging any matter contrary to any acknowledgment or agreement set forth in Section 9.1 of this Option Addendum.

10. **Transfer of Interest**. In the event of a Transfer of the Franchise Agreement or the Franchise in compliance with the Franchise Agreement, this Option Addendum shall also be transferred to the permitted transferee. In the event of any purported Transfer of any Interest that does not comply with the Franchise Agreement, Champs Chicken shall have the right to terminate this Option Addendum on notice of such termination to Franchisee or the purported transferee, which termination shall be deemed to have occurred on the date of such purported Transfer, the date of such notice, or such other date as Champs Chicken may reasonably specify.

11. **Waiver or Delay**. No waiver or delay by Champs Chicken in requiring strict compliance with any obligation of this Option Addendum, or in the exercise of any right or remedy provided in this Option Addendum, and no custom or practice at variance with the requirements of this Option Addendum: (i) shall constitute a waiver or modification of any such obligation, right, remedy, or requirement; (ii) shall preclude, affect, or impair the exercise of any such right or remedy; (iii) shall preclude, affect, or impair the right to require strict compliance with any obligation or requirement set forth in this Option Addendum; or (iv) shall preclude, affect, or impair enforcement of any obligation, right, remedy, or requirement provided in this Option Addendum with respect to any subsequent breach.

12. **Merger; Entire Agreement**. This Option Addendum, including the schedules, exhibits, addenda, and attachments to this Option Addendum, is a complete integration that sets forth the entire agreement between Franchisee and Champs Chicken, fully superseding any and all prior negotiations, agreements, representations, and understandings between Franchisee and Champs Chicken, whether oral or written, related to the subject matter of this Option Addendum. Franchisee and Champs Chicken hereby expressly agree that there are no other oral or written agreements, "side-deals," arrangements, or understandings between Franchisee and Champs Chicken except as expressly set forth in this Option Addendum. No course of dealing, whether occurring before or after the Effective Date of this Option Addendum, shall operate to amend, modify, terminate, or waive any express written provision of this Option Addendum.

13. **Amendment to Option Addendum**. This Option Addendum may not be amended orally, but may be amended only by a written agreement signed by officers of the parties.

14. **Resolution of Disputes**. Any and all disputes arising out of or related to this Option Addendum, including without limitation any and all disputes arising out of or related to the making of this Option Addendum, shall be governed exclusively by the provisions set forth in Section 22.6 ("Resolution of Disputes") of the Franchise Agreement, which Section 22.6 is hereby incorporated by this reference into this Option Addendum as if fully set forth herein.

15. **Miscellaneous**.

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

15.2 Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered exclusively in the manner set forth in Section 22.2 ("Notices") of the Franchise Agreement, which Section 22.2 is hereby incorporated by this reference into this Option Addendum as if fully set forth herein.

15.3 Time is of the Essence. Time is of the essence to the exercise of all of Franchisee's rights, and to the performance of all of Franchisee's obligations, arising out of or related to this Option Addendum.

16. **Submission of Option Addendum**. Submission of this Option Addendum to Franchisee does not constitute an offer to enter into a contract. This Option Addendum shall not be binding on Champs Chicken until it has been signed by an officer of Champs Chicken and has been delivered to Franchisee.

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

CHAMPS CHICKEN:	**FRANCHISEE:**
CHAMPS CHICKEN FRANCHISING, LLC	
By: __________________________________ Shawn Burcham	By: __________________________________
Title: Chief Executive Officer	Title:

OPTIONED FRANCHISE TERRITORY

1. **Option Territory**. Franchisee's Option Territory shall be all that area within:

as the borders of such Option Territory are configured as of the Effective Date of this Option Addendum, less the exclusive territories that Champs Chicken grants any Champs Chicken restaurants in such Option Territory.

2. **Option Territory is Nonexclusive**. Franchisee and Champs Chicken specifically agree that such Option Territory is granted to Franchisee on a nonexclusive basis. Champs Chicken may develop, open, and operate, and may authorize others to develop, open, and operate, Champs Chicken restaurants in any part of the Option Territory that Champs Chicken deems appropriate, without payment of any compensation to Franchisee.

3. **Territory; Effect of Territory on Option Territory**. At such time as Franchisee and Champs Chicken execute Exhibit B ("Approved Location Addendum") to this Option Addendum as to an Additional Restaurant specified in the Development Schedule set forth in Section 4 of this Option Addendum, or at such time as Franchisee opens an Additional Restaurant specified in the Development Schedule, whichever is earlier, the Franchise Agreement with respect to such Additional Restaurant, which Franchise Agreement grants Franchisee a Territory that consists of a one (1) mile radius around each such Additional Restaurant, shall control, and the Option Territory as to such Additional Restaurant shall expire automatically and without further notice.

4. **Reversion**. At such time as Franchisee develops the last Additional Restaurant shown in the Development Schedule, or on the termination or expiration of the Option Addendum, whichever occurs first, all parts of the Option Territory that are not within the Territory of any of Franchisee's Restaurants shall revert automatically and without further notice to Franchisee.

Accepted and agreed to as of the Effective Date of this Option Addendum.

CHAMPS CHICKEN:	**FRANCHISEE:**
CHAMPS CHICKEN FRANCHISING, LLC	
By: ______________________	By: ______________________
Shawn Burcham	
Title: Chief Executive Officer	Title:

APPROVED LOCATION ADDENDUM

Address: ____________________________________
____
____
____
____

Date of Approval: ____________________, 20____

CHAMPS CHICKEN:
CHAMPS CHICKEN FRANCHISING, LLC

By: ____________________________________
Shawn Burcham
Title: Chief Executive Officer

FRANCHISEE:

By: ____________________________________
Title:

SCHEDULE C

PERSONAL GUARANTY OF FRANCHISEE'S PRINCIPALS AND SPOUSAL GUARANTY

PERSONAL GUARANTY OF FRANCHISEE'S PRINCIPALS

THIS GUARANTY (the "Guaranty") is made by the guarantors named on the signature pages of this Guaranty (whether one or more, the "Guarantor") in favor of Champs Chicken Franchising, LLC, a Delaware limited liability company ("Champs Chicken").

RECITALS

A. Champs Chicken, as franchisor, and _________________________ (the "Franchisee"), as franchisee, are entering into a Champs Chicken® franchise agreement (such franchise agreement, together with all schedules, exhibits, addenda, attachments, and amendments to it, being referred to collectively in this Guaranty as the "Franchise Agreement") contemporaneously with Guarantor's execution of this Guaranty and as a material part of the same transaction.

B. As an express condition precedent to Champs Chicken's entering into the Franchise Agreement, Champs Chicken has required that Guarantor guaranty: (i) the payment and performance of all Monetary Covenants (as defined in Section 1.2 of this Guaranty); and (ii) the performance of all Non-Monetary Covenants (as defined in Section 1.3 of this Guaranty).

C. Guarantor is a Principal (as defined in Section 1.14 of the Franchise Agreement) of Franchisee, and as such anticipates substantial material benefit from the transactions contemplated under and evidenced by the Franchise Agreement and any and all other agreements related to the Franchise Agreement or the Franchised Business (the Franchise Agreement and such other agreements being referred to collectively in this Guaranty as the "Agreements"), and is therefore willing to execute this Guaranty.

D. Champs Chicken would not have entered into the Agreements without Guarantor's guaranties and agreements set forth in this Guaranty, which guaranties and agreements Champs Chicken has relied on to its detriment.

NOW, THEREFORE, in consideration of the foregoing, and in further consideration of the Franchise Agreement and the mutual promises and commitments set forth therein, and in further consideration of Ten and No/100 Dollars ($10.00) in-hand paid to Guarantor, and for other good and valuable consideration, the receipt and sufficiency of all of which Guarantor hereby acknowledges, Guarantor hereby agrees as follows:

1. **Definitions**.

1.1 Covenants. "Covenants" shall mean, collectively, the Monetary Covenants and Non-Monetary Covenants.

1.2 Monetary Covenants. "Monetary Covenants" shall mean any and all monetary covenants, warranties, representations, agreements, and obligations of Franchisee arising out of or related to the Franchise Agreement or any and all other agreements related to the Franchise Agreement or the Franchised Business, whether such monetary covenants, warranties, representations, agreements, and obligations were made or otherwise arose before or after the date Guarantor made this Guaranty.

1.3 Non-Monetary Covenants. "Non-Monetary Covenants" shall mean any and all non-monetary covenants, warranties, representations, agreements, and obligations of Franchisee arising out of or related to the Franchise Agreement or any and all other agreements related to the Franchise Agreement or the Franchised Business, whether such non-monetary covenants, warranties, representations, agreements, and obligations were made or otherwise arose before or after the date Guarantor made this Guaranty.

1.4 Other Definitions. Capitalized terms used but not otherwise defined in this Guaranty shall have the same meanings as are ascribed to them in the Franchise Agreement.

2. **Guaranty**.

2.1 Guarantor hereby guaranties the due and punctual payment and performance of all Monetary Covenants. On notice from Champs Chicken that Franchisee has failed to pay or perform any Monetary Covenant, Guarantor shall pay all amounts owed under any Monetary Covenant so that Champs Chicken actually receives the amounts owed by the end of five (5) days after demand for such payment.

2.2 Guarantor hereby guaranties the due and punctual performance of all Non-Monetary Covenants. Subject to Section 2.1 of this Guaranty, on notice from Champs Chicken that Franchisee has failed to perform any Non-Monetary Covenant, Guarantor shall immediately commence performing such Non-Monetary Covenant and shall thereafter use Guarantor's best efforts to immediately complete such performance to Champs Chicken's reasonable satisfaction.

2.3 Guarantor agrees that, as to all Monetary Covenants, this Guaranty is a guaranty of payment and not of collection.

2.4 Guarantor agrees that the guaranties Guarantor is giving under this Guaranty: (i) are full, complete, continuing, absolute, unconditional, primary, and unlimited in amount; and (ii) specifically include amounts owed to Champs Chicken before the date Guarantor made this Guaranty, as well as amounts owed to Champs Chicken arising after the date Guarantor made this Guaranty.

2.5 Guarantor agrees that Champs Chicken may at any time, without impairing, releasing, or otherwise affecting in any way the obligations of Guarantor under this Guaranty, and without further notice to Guarantor, and without further consent of Guarantor:

2.5.1 Add to, delete from, and modify in any respect the Franchise Agreement and any of the other Agreements, even if such additions, deletions, and modifications increase Guarantor's liability under this Guaranty;

2.5.2 Add additional agreements to the Agreements, even if such additional agreements increase Guarantor's liability under this Guaranty;

2.5.3 Extend or waive any time for Franchisee's or any other persons' and entities' performance of or compliance with any covenant, warranty, representation, agreement, or obligation to be performed or observed under the Agreements; or waive such performance or compliance; or consent to a failure of or departure from such performance or compliance; and

2.5.4 Release any person or other entity primarily or secondarily liable under the Franchise Agreement or other Agreements, or this Guaranty.

2.6 Guarantor hereby subordinates to the Covenants any and all obligations that Franchisee may owe to Guarantor; including without limitation those obligations that Franchisee may owe to Guarantor under any covenant, warranty, representation, agreement, contract, note, guaranty, accommodation, claim, action, or right of action, and any and all other obligations of Franchisee to Guarantor, however and whenever created, arising, or evidenced, whether direct or indirect, absolute or contingent or otherwise, and whether now due or to become due.

3. **Guaranties are Joint and Several**.

3.1 If there is more than one Guarantor, all of the terms, conditions, and obligations set forth in this Guaranty shall be joint and several.

3.2 If Franchisee fails to pay or perform any Monetary Covenant, or if Franchisee fails to perform any Non-Monetary Covenant, Champs Chicken may proceed directly against Guarantor without first proceeding against or notifying Franchisee or any other guarantor.

4. **Waivers by Guarantor**. Guarantor hereby waives:

4.1 Notice of any breach of the Franchise Agreement or any of the other Agreements;

4.2 Notice of acceptance of this Guaranty, notice of settlement or compromise of differences, and notice of any arrangement or settlement made with Franchisee or with any other guarantor in or out of court; and

4.3 All rights Guarantor now has or in the future may have to compel Champs Chicken to proceed against any other party before proceeding against, or as a condition of proceeding against, Guarantor.

5. **No Waiver by Champs Chicken**. No delay or failure by Champs Chicken in the exercise of any right, power, or remedy related to this Guaranty shall operate as a waiver thereof, and no single or partial exercise by Champs Chicken of any right, power, or remedy shall preclude any further exercise thereof or the exercise of any other right, power, or remedy.

6. **Notices**. All communications required or permitted to be given under this Guaranty shall be in writing and shall be deemed to have been duly given: (i) when delivered in person by the other party; (ii) one (1) business day after being sent by reputable commercial courier service for next business day delivery; (iii) five (5) business days after being deposited in the United States mail for certified or registered delivery, return receipt requested, postage prepaid; or (iv) on the intended recipient's failure or refusal to accept delivery of any communication given pursuant to this Guaranty, which failure or refusal shall be deemed constructive delivery effective on the earlier of the date of such refusal or the dates set forth in Clauses (i) through (iii) of this Section 6. UPS, Federal Express, and any successors thereto shall conclusively be deemed "reputable commercial courier services." For the purposes of this Guaranty:

6.1 The address of Guarantor is set forth below his, her, or its signature at the end of this Guaranty.

6.2 Guarantor will address communications to Champs Chicken, where such communications are delivered by commercial courier service, to:

Champs Chicken Franchising, LLC
170 Commerce Drive
Holts Summit, Missouri 65043

6.3 Guarantor will address communications to Champs Chicken, where such communications are delivered by certified or registered U.S. Mail, to:

Champs Chicken Franchising, LLC
P.O. Box 160
Holts Summit, Missouri 65043

6.4 Guarantor will direct any communication it delivers to Champs Chicken under this Guaranty to the attention of Champs Chicken's President.

6.4.1 Guarantor will deliver a simultaneous written copy of any communication it delivers to Champs Chicken under this Guaranty to Champs Chicken's counsel as follows:

Spadea Lignana, LLC
232 N. 2nd Street
Philadelphia, Pennsylvania 19106

6.4.2 Delivery of the copy as set forth in Section 6.4.1 of this Guaranty: (i) shall not constitute notice; and (ii) shall be an express condition precedent to the validity of any notice Guarantor delivers to Champs Chicken.

6.5 Either party may designate another address at any time by delivering written notice to the other in the manner set forth in this Section 6.

7. **Estate, Heirs, Personal Representatives, Successors, and Assigns**. The provisions of this Guaranty shall bind Guarantor and Guarantor's estate, heirs, personal representatives, successors, and assigns, and shall benefit Champs Chicken and Champs Chicken's successors and assigns. Guarantor shall not assign this Guaranty without Champs Chicken's prior written consent.

8. **Dispute Resolution**.

8.1 Governing Law. All matters arising out of or related to this Guaranty, including without limitation all matters arising out of or related to the making, existence, construction, enforcement, and sufficiency of performance of this Guaranty, shall be determined exclusively in accordance with, and governed exclusively by, the laws of the State of Delaware applicable to agreements made and to be entirely performed within the State of Delaware, which laws shall prevail in the event of any conflict of laws.

8.2 Forum, Venue, and Jurisdiction. In the event of any dispute arising out of or related to this Guaranty, including without limitation any dispute arising out of or related to the making of this Guaranty, such dispute shall be resolved exclusively through litigation. The exclusive forum and venue for such litigation shall be a state or federal court having jurisdiction over the subject matter in or for the city or county where Champs Chicken's principal place of business is located. Guarantor hereby irrevocably accepts and submits to, generally and unconditionally, the exclusive jurisdiction of any such state or federal court, and hereby waives all defenses based on jurisdiction, venue, and forum non conveniens.

8.3 Waiver of Trial by Jury. GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATED TO THIS GUARANTY.

8.4 Costs and Attorneys' Fees. In the event of any dispute or litigation arising out of or related to this Guaranty, including without limitation any dispute or litigation arising out of or related to the making of this Guaranty, Guarantor shall pay Champs Chicken, on demand, Champs Chicken's costs, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of appeal, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection, so that Champs Chicken actually receives such amounts by the end of ten (10) days after demand therefor. In the event of any breach of this Guaranty, Guarantor shall pay Champs Chicken, on demand, Champs Chicken's costs arising out of or related to such breach, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection, so that Champs Chicken actually receives such amounts by the end of ten (10) days after demand therefor.

9. **Miscellaneous**.

9.1 Continuity; No Release. This Guaranty and the obligations of Guarantor arising out of or related to this Guaranty shall remain in full force and effect after and notwithstanding: (i) the termination, expiration, or transfer of the Franchise Agreement or any of the other Agreements; (ii) the transfer of Guarantor's equity in Franchisee; (iii) the termination or expiration of Guarantor's relationship with Franchisee; (iv) the dissolution of existence or termination of operation of Franchisee; (v) the death of Guarantor; or (vi) any other event or occurrence.

9.2 Construe In Favor of Enforcement. In the event of any dispute, litigation, or like event or occurrence arising out of or related to this Guaranty, Guarantor hereby directs any third party construing this Guaranty, including without limitation any court, mediator, master, or other party acting as trier of fact or law, to construe the provisions of this Guaranty broadly in favor of enforcement.

9.3 Merger; Entire Agreement, Compliance. This Guaranty is a complete integration that sets forth the entire agreement between Champs Chicken and Guarantor, fully superseding any and all prior negotiations, agreements, representations, or understandings between Champs Chicken and Guarantor, whether oral or written, related to the subject matter of this Guaranty. Guarantor hereby expressly affirms that there are no oral or written agreements, "side-deals," arrangements, or understandings between Champs Chicken and Guarantor except as expressly set forth in this Guaranty. No course of dealing, whether occurring before or after the date Guarantor made this Guaranty, shall operate to amend, terminate, or waive any express written provision of this Guaranty.

9.4 Interpretation. The word "including" means "including without limiting the scope or generality" of any word or words related thereto. References to agreements, documents, guaranties, and similar agreements and instruments shall be deemed to refer as well to all schedules, exhibits, addenda, attachments, and amendments thereto.

9.5 Guarantor Is Not Beneficiary. Guarantor acknowledges and agrees that notwithstanding anything set forth in this Guaranty, the Franchise Agreement, or any other Agreement to the contrary: (i) all obligations Champs Chicken owes under the Franchise Agreement and any of the other Agreements are owed to Franchisee alone, and not to Guarantor; (ii) Guarantor shall not be entitled to rely on, enforce, or obtain relief for breach of, any of Champs Chicken's obligations arising out of or related to the Franchise Agreement or any of the other Agreements, whether directly, indirectly, by subrogation, as an intended third-party beneficiary, or otherwise; and (iii) Guarantor will not make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand, that alleges, asserts, or otherwise raises, any matter contrary to Clause (i) or Clause (ii) of this Section 9.5.

9.6 Partial Invalidity. If any provision of this Guaranty is declared invalid or unenforceable by a court having jurisdiction over the parties and the subject matter, such provision shall be modified to the minimum extent necessary to make it valid and enforceable; and if it cannot be so modified, then severed. The balance of this Guaranty shall remain in full force and effect, and Guarantor agrees that he, she, or it would have signed this Guaranty as so modified.

9.7 Effect of Recitals. The Recitals to this Guaranty shall be construed as a material and enforceable part of this Guaranty for all purposes, and shall in no event be considered prefatory language or mere surplusage.

9.8 Further Assurances. Guarantor hereby covenants, warrants, represents, and agrees that: (i) Guarantor will perform such acts and will execute and deliver such agreements and other documents to Champs Chicken as Champs Chicken may deem necessary or beneficial to effect the intent of this Guaranty; (ii) Guarantor will not condition the performance of such acts or the execution and delivery of such agreements and other documents; (iii) Guarantor will not delay the performance of such acts; and (iv) Guarantor will deliver such agreements and other documents, duly notarized if Champs Chicken requires that such agreements and other documents be notarized, to Champs Chicken so that Champs Chicken actually receives such agreements and other documents by the end of ten (10) days after Champs Chicken delivers them to Guarantor for execution.

9.9 Date. The date shown beneath Guarantor's signature is for reference purposes only. If Guarantor does not date this Guaranty, Guarantor hereby grants Champs Chicken permission to enter the Effective Date of the Franchise Agreement in the space for such date, and Guarantor agrees that Guarantor shall be deemed to have given Champs Chicken this Guaranty as of the Effective Date of the Franchise Agreement. Guarantor's omission of the date, and Champs Chicken's entry of the date described in this Section 9.9, shall not impair, release, or otherwise affect in any way Guarantor's covenants, warranties, representations, agreements, and obligations set forth in, arising out of, or related to this Guaranty.

I, AS GUARANTOR ACKNOWLEDGE AND AGREE THAT I HAVE READ AND FULLY UNDERSTAND ALL OF THE PROVISIONS OF THIS GUARANTY. I HAVE HAD A FULL AND FAIR OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF MY CHOOSING RELATED TO THIS GUARANTY, AND I HAVE EITHER DONE SO OR I HAVE KNOWINGLY, INTELLIGENTLY, AND VOLUNTARILY ELECTED NOT TO DO SO. I HAVE NOT RECEIVED, AND I AM NOT RELYING ON, ANY REPRESENTATION OR PROMISE BY CHAMPS CHICKEN OR ANY PERSON ACTING ON CHAMPS CHICKEN'S BEHALF ARISING OUT OF OR RELATED TO THIS GUARANTY, OTHER THAN THOSE THAT ARE EXPRESSLY SET FORTH IN THIS GUARANTY.

I, AS GUARANTOR, ACKNOWLEDGE, AGREE, AND REITERATE THAT, AS SET FORTH IN SECTION 2.4 OF THIS GUARANTY, THE GUARANTIES I AM GIVING UNDER THIS GUARANTY: (I) ARE FULL, COMPLETE, CONTINUING, ABSOLUTE, UNCONDITIONAL, PRIMARY, AND UNLIMITED IN AMOUNT; AND (II) SPECIFICALLY INCLUDE AMOUNTS OWED TO CHAMPS CHICKEN BEFORE THE DATE THAT I, AS GUARANTOR, MADE THIS GUARANTY, AS WELL AS AMOUNTS OWED TO CHAMPS CHICKEN ARISING AFTER THE DATE I MADE THIS GUARANTY.

I, AS GUARANTOR, ACKNOWLEDGE AND AGREE THAT I AM SIGNING THIS GUARANTY OF MY OWN FREE WILL AND VOLITION, AND WITHOUT ANY DURESS OR COERCION.

IN WITNESS WHEREOF, intending to be legally bound hereby, Guarantor has executed and delivered this Guaranty as of the date set forth beneath his, her, or its signature:

______________________________	______________________________
Guarantor	Guarantor
______________________________	______________________________
Print Name	Print Name
Date: ____________________, 20____	Date: ____________________, 20____
Address:	Address:
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

______________________________	______________________________
Guarantor	Guarantor
______________________________	______________________________
Print Name	Print Name
Date: ____________________, 20____	Date: ____________________, 20____
Address:	Address:
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on____ ____________ to Champs Chicken Franchising, LLC a Missouri limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchisee Agreement") with ________________________________ ____________, a(n) ______________________________________, _____________________________________ and __ ________________________________(collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Section 21 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

____

Print Name: ________________________________

SCHEDULE D

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this ___ day of__________________________________, by ____ __________________________, a(n) ____ _____________ ("Franchisee"), a franchisee of Champs Chicken Franchising, LLC a Missouri limited liability company("Franchisor"), and ______________________, an individual ("Covenantor") in connection with a Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated ________________ _______ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "Champs Chicken" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of a Champs Chicken franchise (the "Franchised Business");

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Champs Chicken operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other Champs Chicken franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any chicken or other designated food business substantially similar to the System.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the Champs Chicken System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any real estate and property imagery business within the within five (5) miles outside of the boundaries of the Franchisee's Territory or within five (5) miles of any Champs Chicken office location.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF MISSOURI. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF MISSOURI; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

____

____

If directed to Covenantor:

____

____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

____

By: ____
Name: _______________________________________
Title: ____

COVENANTOR:

____
Name: _______________________________________

SCHEDULE E

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of ________________ (the "Effective Date") by and between Champs Chicken Franchising, LLC, a Missouri limited liability company with its principal place of business at 120 Commerce Drive, Holts Summit, Missouri 65043(the "Franchisor"), and ________________________, a(n) ______________________________, with its principal place of business located at______________________________ and _______________________________'s principal(s) ________________________, an individual residing at _______________________________ and_________________________, an individual residing at ______________________________ ("Principal(s)"). ______________ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Champs Chicken business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media and software accounts, and use telephone listings linked to the Champs Chicken brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media and Software Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee's interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Missouri, without regard to the application of Missouri conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

CHAMPS CHICKEN FRANCHISING, LLC]

By:____

Shawn Burcham, __________________________
(Print Name, Title)

FRANCHISEE:

____

By:____

___________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

SCHEDULE F

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

RELEASE, ESTOPPEL, COVENANT NOT TO SUE, AND INDEMNIFICATION

PRELIMINARY NOTE

This Schedule F contains parts of sample agreements. These parts include two types of provisions: (i) the Caption, Recitals, and Consideration Clause; and (ii) the Release.

The Caption, Recitals, and Consideration Clause are included in this Schedule F to provide definitions and to show context. The Release (Sections 1 through 4) contains the release, estoppel, covenant not to sue, and indemnification provisions, together with the related provisions, described in Sections 3.2.6, 6.3, 8.2.1, 18.4.2.5, and 18.5.1.1 of the Franchise Agreement.

Except for Sections 1 through 4, the actual agreements Franchisee would sign in connection with Sections 3.2.6, 6.3, 8.2.1, 18.4.2.5, and 18.5.1.1 of the Franchise Agreement would contain additional provisions, and substantially different provisions, than the provisions set forth in this Schedule F.

Sections 1 through 4 may be printed in bold print, and will be modified as reasonably necessary and included in the applicable agreement.

[NAME OF AGREEMENT]

THIS AGREEMENT (the "Agreement") is made and entered into the ______ day of _______________, 20____ (the "Effective Date"), by and among Champs Chicken Franchising, LLC, a Delaware limited liability company ("Champs Chicken") on the one hand; and ______________ ______________________, a ________________ _____________ ("Franchisee"); [and] ____________ _____________, an individual citizen of ____________________, and ___________________________, an individual citizen of _______________ (such individuals being referred to collectively in this Agreement as the "Principals") [; and _______________________________, a ____________________ _______________ ("Transferor"), and _______________________________, a ____________________ _______________ ("Transferee")] on the other hand.

RECITALS

A. Champs Chicken, as franchisor, and Franchisee, as franchisee, are parties to that certain Champs Chicken® franchise agreement dated ____________________, 20____ (such franchise agreement, together with all schedules, exhibits, addenda, attachments, and amendments to it, being referred to collectively in this Agreement as the "Franchise Agreement"), related to the Champs Chicken franchise of Franchisee as described in such Franchise Agreement (the "Franchise").

[FOR USE WHERE FRANCHISEE IS RENEWING THE FRANCHISE]

B. The Initial Term of the Franchise will expire at the end of ________________, 20____. Franchisee desires to renew the Franchise.

C. Franchisee and Principals are required to execute this Agreement in order to fulfill those certain pre-existing legal obligations of Franchisee and Principals set forth in Section 3.2.6 of the Franchise Agreement.

D. Champs Chicken is agreeable to such renewal, subject to, conditioned on, and in reliance on, compliance by Franchisee and Principals with Section 3.2.6 of the Franchise Agreement.

E. Principals own and hold substantially all of the equity in Franchisee, and anticipate substantial benefit from the renewal of the Franchise, and hence from this Agreement, without which Agreement Champs Chicken would not agree to renew the Franchise.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and in further consideration of the Franchise Agreement, the Replacement Franchise Agreement, and the mutual promises and commitments set forth therein, and in further consideration of the sum of Ten and No/100 Dollars ($10.00) in-hand paid to Franchisee and each Principal, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Agreement hereby agree as follows:

[For Use Where Franchisee is Relocating the Restaurant]

B. Franchisee has requested that Champs Chicken permit Franchisee to relocate the Restaurant.

C. Franchisee and Principals are required to execute this Agreement in order to fulfill those certain pre-existing legal obligations of Franchisee and Principals set forth in Section 6.3 of the Franchise Agreement.

D. Champs Chicken is agreeable to such relocation, subject to, conditioned on, and in reliance on, compliance by Franchisee and Principals with Section 6.3 of the Franchise Agreement.

E. Principals own and hold substantially all of the equity in Franchisee, and anticipate substantial benefit from the relocation of the Restaurant, and hence from this Agreement, without which Agreement Champs Chicken would not agree to Franchisee's relocation of the Restaurant.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and in further consideration of the Franchise Agreement and the mutual promises and commitments set forth therein, and in further consideration of the sum of Ten and No/100 Dollars ($10.00) in-hand paid to Franchisee and each Principal, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Agreement hereby agree as follows:

[For Use Where Franchisee is Obtaining Extension of Opening Date]

B. Franchisee has requested that Champs Chicken extend the Opening Date of the Restaurant.

C. Franchisee and Principals are required to execute this Agreement in order to fulfill those certain pre-existing legal obligations of Franchisee and Principals set forth in Section 8.2.1 of the Franchise Agreement.

D. Champs Chicken is agreeable to such extension, subject to, conditioned on, and in reliance on, compliance by Franchisee and Principals with Section 8.2.1 of the Franchise Agreement.

E. Principals own and hold substantially all of the equity in Franchisee, and anticipate substantial benefit from the extension of the Opening Date, and hence from this Agreement, without which Agreement Champs Chicken would not agree to extend the Opening Date.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and in further consideration of the Franchise Agreement and the mutual promises and commitments set forth therein, and in further consideration of the sum of Ten and No/100 Dollars ($10.00) in-hand paid to Franchisee and each Principal, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Agreement hereby agree as follows:

[FOR USE WHERE FRANCHISEE OR PRINCIPAL IS TRANSFERRING AN INTEREST]

B. [Franchisee] [Principal] desires to Transfer an Interest to Transferee.

C. Execution of this Agreement by Franchisee, Principals, Transferor, and Transferee is required in order to fulfill those certain pre-existing legal obligations of Franchisee, Principals, Transferor, and Transferee set forth in Section 18.4.2.5 of the Franchise Agreement.

D. Champs Chicken is agreeable to such Transfer, subject to, conditioned on, and in reliance on, compliance by Franchisee, Principals, Transferor, and Transferee with Section 18.4.2.5 of the Franchise Agreement.

E. Principals own and hold substantially all of the equity in Franchisee, and anticipate substantial benefit from the Transfer, and hence from this Agreement, without which Agreement Champs Chicken would not consent to such Transfer.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and in further consideration of the Franchise Agreement and the Transfer, and in further consideration of the sum of Ten and No/100 Dollars ($10.00) in-hand paid to Franchisee, each Principal, Transferor, and Transferee, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Agreement hereby agree as follows:

[FOR USE WHERE FRANCHISEE IS TRANSFERRING OPERATING RIGHTS]

B. Franchisee desires to transfer the Operating Rights in and to the Restaurant to Transferee.

C. Execution of this Agreement by Franchisee, Principals, and Transferee is required in order to fulfill those certain pre-existing legal obligations of Franchisee, Principals, and Transferee set forth in Section 18.5.1.1 of the Franchise Agreement.

D. Champs Chicken is agreeable to such transfer, subject to, conditioned on, and in reliance on, compliance by Franchisee, Principals, and Transferee with Section 18.5.1.1 of the Franchise Agreement.

E. Principals own and hold substantially all of the equity in Franchisee, and anticipate substantial benefit from the Transfer, and hence from this Agreement, without which Agreement Champs Chicken would not consent to such Transfer.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and in further consideration of the Franchise Agreement and the Transfer, and in further consideration of the sum of Ten and No/100 Dollars ($10.00) in-hand paid to Franchisee, each Principal, and Transferee, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties to this Agreement hereby agree as follows:

[RELEASE: FOR USE IN ALL SITUATIONS]

1. Release; Estoppel; Covenant Not to Sue; Indemnification.

1.1 Release. Franchisee, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, together with Principals, [Transferor, and Transferee,] and further together with and for the predecessors, successors, heirs, and assigns of any and all of the foregoing (collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Champs Chicken and its officers, members, employees, agents, and attorneys, and Champs Chicken's affiliates and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Effective Date of this Agreement: (i) the Franchise Agreement; (ii) any and all other Champs Chicken franchise agreements between Champs Chicken and any of the Releasing Parties; (iii) any and all Champs Chicken restaurants owned, opened, operated, or closed by Franchisee or any of the other Releasing Parties; (iv) [such other matters as Champs Chicken deems appropriate]; and (v) the business relationship between any or all of the Parties Released on the one hand, and any or all of the Releasing Parties on the other hand; including, without limitation, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering.

1.1.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 1.1 of this Agreement to any third party.

1.1.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 1.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 1.1 of this Agreement, this Section 1.1 shall be a complete and conclusive defense thereto.

1.2 Estoppel.

1.2.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that:

1.2.1.1 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any breach of the Franchise Agreement or any other agreement or document related to the Franchised Business, which other documents include, without limitation, the Franchise Disclosure Document that Champs Chicken delivered to Franchisee, as prospective franchisee, which delivery was due and proper in every respect;

1.2.1.2 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any violation of any constitution, statute, rule, regulation, ordinance, case law, or any other law; including, without limitation, the FTC Franchise Rule, [jurisdictions' franchise Laws or other relevant Laws], or otherwise, arising out of or related to the Franchised Business, the Restaurant, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering; and

1.2.1.3 Neither the Parties Released, nor any of them, owes the Releasing Parties, or any of them, any obligation, debt, claim, demand, right, action, cause of action, loss, losses, damage, damages, expense, cost, liability, or liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arises out of or is related to, or that may hereafter arise out of or relate to, any matter that is within the scope of the Release set forth in Section 1.1 of this Agreement.

1.2.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in Section 1.1 or this Section 1.2 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in Section 1.1 or this Section 1.2 of this Agreement, this Section 1.2 shall be a complete and conclusive defense thereto.

1.3 Covenant Not to Sue. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 1.1 of this Agreement; (b) any matter that is within the ambit of such Release; (c) the Estoppel set forth in Section 1.2 of this Agreement; or (d) any matter that is within the ambit of such Estoppel.

1.4 Indemnification. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that they and the other Releasing Parties: (i) will indemnify the Parties Released for, and will hold harmless the Parties Released from, any breach of Sections 1.1, 1.2, or 1.3 of this Agreement; and (ii) will pay the amount of all losses and expenses arising out of or related to any breach of Sections 1.1, 1.2, or 1.3 of this Agreement so that the Party Released to which such payment is owed actually receives such payment by end of ten (10) days after demand therefor. Such losses and expenses shall include, without limitation, attorneys' fees and costs, including without limitation attorneys' fees and costs of appeal, and further including without limitation attorneys' fees and costs of collection. Each Party Released shall have the right to counsel such Party Released reasonably chooses. No Party Released will be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any loss and expense, to maintain and recover fully a claim under this Section 1.4. No failure to pursue such recovery or to mitigate a loss or expense will in any way reduce or alter the amounts any Party Released is entitled to recover. The obligations of [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and the other Releasing Parties under this Section 1.4: (a) shall be joint and several; and (b) shall be within the ambit of all guaranties made by [Franchisee's Principals] [Franchisee's Principals, Transferor, Transferor's Principals, Transferee, Transferee's Principals], and other guarantors, all of which shall remain in full force and effect.

2. Acknowledgments.

2.1 Authority. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] covenant, warrant, represent, and agree that they have the authority to bind themselves and the other Releasing Parties to Section 1, this Section 2, Section 3, and Section 4 of this Agreement. [Franchisee and

Principals] [Franchisee, Principals, Transferor, and Transferee] acknowledge and agree that Champs Chicken is reasonably relying on [Franchisee's and Principals'] [Franchisee's, Principals', Transferor's, and Transferee's] covenants, warranties, representations, and agreements set forth in this Section 2.1 to Champs Chicken's detriment.

2.2 Full Effect. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby expressly agree that Section 1.1 of this Agreement shall be given full force and effect according to each and all of its terms and provisions, express and implied, including without limitation: (i) those relating to unknown obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities, if any; and (ii) those relating to any obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities other than those specified.

2.3 Additional or Different Facts; Mistake of Fact; Assumption of Risk. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] hereby acknowledge and agree that: (i) [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and the other Releasing Parties may discover facts different from or in addition to those they now know or believe to be true with respect to, or that there may be a mistake of fact with respect to, the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature whatsoever, and the other matters, that are the subject of the Release, Estoppel, Covenant Not to Sue, and Indemnification set forth in Section 1 of this Agreement; (ii) [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and such other Releasing Parties hereby expressly assume the risk of the existence of additional facts, different facts, or mistakes of fact; and (iii) Section 1, this Section 2, Section 3, and Section 4 of this Agreement shall be and remain in full force and effect regardless of such additional facts, different facts, or mistakes of fact.

2.4 Voluntary Nature of Agreement. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that: (i) [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] have freely and voluntarily entered into this Agreement, including without limitation the Release, Estoppel, Covenant Not to Sue, and Indemnification set forth in Section 1 of this Agreement; (ii) [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] have had a full and fair opportunity to consult with their legal counsel with respect to this Agreement, including without limitation such Release, Estoppel, Covenant Not to Sue, and Indemnification, and that [they have in fact done so] [they have knowingly, intelligently, and voluntarily elected not to do so]; and (iii) they have read and fully understand this Agreement.

2.5 Consideration. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that Champs Chicken is forbearing the exercise of certain rights in connection with this Agreement, and is granting [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] certain valuable rights in connection with this Agreement, in specific consideration of the Release, Estoppel, Covenant Not to Sue, and Indemnification set forth in Section 1 of this Agreement, without which Release, Estoppel, Covenant Not to Sue, and Indemnification Champs Chicken would not have agreed to forbear the exercise of such rights or granted [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] the rights related to this Agreement, which rights include without limitation, [the renewal of the Franchise] [the relocation of the Restaurant] [Champs Chicken's agreement to extend the Opening Date] [Champs Chicken's consent to the Transfer of the Interest] [Champs Chicken's consent to the Transfer of Operating Rights].

2.6 Beneficiaries. The Parties Released are first-party direct beneficiaries or intended third-party beneficiaries of Section 1, this Section 2, Section 3, and Section 4 of this Agreement, are entitled to enforce such sections, and are entitled to all the benefits of such sections.

2.7 Intent of the Parties; Essential Purpose. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that the intent of the parties as to Section 1 of this Agreement, and that the essential purpose of Section 1 of this Agreement, is that the Releasing Parties give the Parties Released: (i) a full and complete release, estoppel, and covenant not to sue for all matters prior to the Effective Date of this Agreement; and (ii) a full and complete indemnification for any breach of such release, estoppel, or covenant not to sue.

2.8 Remedies.

2.8.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that: (i) in the event of any breach of Section 1 of this Agreement, the Parties Released would be irreparably injured and without adequate remedy at law; and (ii) in the event of a breach or a threatened or attempted breach of any provision of Section 1, [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] agree that the Parties Released will be entitled, in addition to any other remedies such Parties Released may have at law or in equity or otherwise, to a preliminary and permanent injunction and a decree for specific performance of the provisions of Section 1 without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

2.8.2 In addition to the rights of the Parties Released set forth in Section 2.8.1 of this Agreement above, [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] hereby acknowledge and agree that any breach of Section 1 of this Agreement by the Releasing Parties, or any of them, will be a breach of Section 20.4.7 of the [Replacement] Franchise Agreement that will permit Champs Chicken to terminate the [Replacement] Franchise Agreement, after notice to Franchisee specifying the breach, and after the expiration of the cure period set forth in Section 20.4.7 and Franchisee's failure to cure such breach by the end of such cure period.

3. **Miscellaneous**.

3.1 Time. Time is of the essence to the performance of all obligations of [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] to be performed under this Agreement and the [Replacement] Franchise Agreement.

3.2 Amendments. This Agreement may be amended only by a written agreement signed by the parties.

3.3 Previous Payments. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] hereby acknowledge and agree that all sums of money [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], or any of their affiliates paid to Champs Chicken or Champs Chicken's affiliates are and shall remain the sole property of Champs Chicken and Champs Chicken's affiliates, and that [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and their affiliates shall not have any rights thereto.

3.4 Waiver and Delay. No waiver or delay by Champs Chicken in requiring strict compliance with any obligation of the [Replacement] Franchise Agreement or this Agreement, or in the exercise of any right or remedy provided in the [Replacement] Franchise Agreement or this Agreement or at law or in equity or otherwise, and no custom or practice at variance with the requirements of the [Replacement]

Franchise Agreement or this Agreement, will constitute a waiver or modification of any such obligation, right, remedy, or requirement, or preclude the exercise of any such right or remedy or the right to require strict compliance with any obligation set forth in the [Replacement] Franchise Agreement or this Agreement, or will preclude, affect, or impair enforcement of any right or remedy provided in the [Replacement] Franchise Agreement or this Agreement or at law or in equity or otherwise. All remedies under the [Replacement] Franchise Agreement, this Agreement, at law, in equity, or otherwise, afforded to Champs Chicken shall be cumulative and not alternative, and may be exercised simultaneously or sequentially in any order.

3.5 Governing Law. All matters arising out of or related to the [Replacement] Franchise Agreement or this Agreement, including without limitation all matters arising out of or related to the making, existence, construction, enforcement, and sufficiency of performance of the [Replacement] Franchise Agreement or this Agreement, shall be determined exclusively in accordance with, and governed exclusively by, the laws of the State of Delaware applicable to agreements made and to be entirely performed within the State of Delaware, which laws shall prevail in the event of any conflict of laws.

3.6 Forum, Venue, and Jurisdiction. In the event of any dispute arising out of or related to the [Replacement] Franchise Agreement or this Agreement, including without limitation any dispute arising out of or related to the making of the [Replacement] Franchise Agreement or this Agreement, such dispute shall be resolved exclusively through litigation. The exclusive forum and venue for such litigation shall be a state or federal court in or for the city or county where Champs Chicken's principal business office is located. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby irrevocably accept and submit to, generally and unconditionally, the exclusive jurisdiction of any such state or federal court and hereby waive all defenses based on jurisdiction, venue, and forum non conveniens. The provisions of this Section 3.6 shall remain in full force and effect after the expiration or termination of the [Replacement] Franchise Agreement.

3.7 Waiver of Trial by Jury. CHAMPS CHICKEN, FOR ITSELF AND THE OTHER PARTIES RELEASED, AND [FRANCHISEE AND PRINCIPALS] [FRANCHISEE, PRINCIPALS, TRANSFEROR, AND TRANSFEREE], FOR THEMSELVES AND THE OTHER RELEASING PARTIES, HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATED TO THE [REPLACEMENT] FRANCHISE AGREEMENT OR THIS AGREEMENT.

3.8 Attorneys' Fees. In the event of any dispute or litigation arising out of or related to the [Replacement] Franchise Agreement or this Agreement, including without limitation any dispute or litigation arising out of or related to the making of the [Replacement] Franchise Agreement or this Agreement, Franchisee shall pay to Champs Chicken, on demand, Champs Chicken's costs, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of appeal, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection, so that Champs Chicken actually receives such amounts by the end of ten (10) days after demand therefor. In the event of any breach of the [Replacement] Franchise Agreement or this Agreement, Franchisee shall pay to Champs Chicken, on demand, Champs Chicken's costs arising out of or related to such breach, including without limitation Champs Chicken's reasonable attorneys' fees and costs, and further including without limitation Champs Chicken's reasonable attorneys' fees and costs of collection, so that Champs Chicken actually receives such amounts by the end of ten (10) days after demand therefor.

3.9 Further Assurances. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] hereby covenant, warrant, represent, and agree that: (i) they will perform such acts and will execute and deliver such agreements and other documents to Champs Chicken as Champs Chicken may deem necessary or beneficial to effect the intent of this Agreement; (ii) they will not condition the performance of such acts or the execution and delivery of such agreements and other documents; (iii) they will not delay the performance of such acts; and (iv) they will deliver such agreements and other documents, duly notarized if Champs Chicken requires that such agreements and other documents be notarized, to Champs Chicken so that Champs Chicken actually receives such agreements and other documents by the end of ten (10) days after Champs Chicken delivers them to Franchisee.

4. **Construction**.

4.1 Construe In Favor of Enforcement. In the event of any litigation or like event or occurrence arising out of or related to [Franchisee's, Principals'] [Franchisee's, Principals', Transferor's, Transferee's], or any other Releasing Party's obligations set forth in this Agreement, or arising out of or related to the matters set forth in this Agreement, [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby direct any third party construing this Agreement, including without limitation any court, mediator, master, or other party acting as trier of fact or law, to construe such provisions broadly in favor of enforcement.

4.2 Merger; Entire Agreement, Compliance. This Agreement, together with the [Replacement] Franchise Agreement, is a complete integration that sets forth the entire agreement [between] [among] the parties, fully superseding any and all prior negotiations, agreements, representations, or understandings among [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] on the one hand, and Champs Chicken on the other hand, whether oral or written, arising out of or related to the matters set forth in this Agreement. [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and Champs Chicken hereby expressly affirm that there are no oral or written agreements, "side-deals," arrangements, or understandings between [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] on the one hand, and Champs Chicken on the other hand, arising out of or related to the matters set forth in this Agreement, except as expressly set forth in this Agreement. No course of dealing, whether occurring before or after the Effective Date of this Agreement, shall operate to amend, terminate, or waive any express written provision of this Agreement. In the event of any conflict between any provision of this Agreement and a provision of the [Replacement] Franchise Agreement, the provision set forth in this Agreement shall control. Except as amended by this Agreement, all provisions of the [Replacement] Franchise Agreement shall remain in full force and effect according to their terms, and the parties shall continue to be bound by such [Replacement] Franchise Agreement as modified by this Agreement.

4.3 Interpretation. The word "including" means "including without limiting the scope or generality" of any word or words related thereto. References to agreements, documents, guaranties, and like agreements and instruments shall be deemed to refer as well to all schedules, exhibits, addenda, attachments, and amendments thereto.

4.4 Obligations Benefit Only Franchisee.

4.4.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby: (i) acknowledge and agree that all obligations of Champs Chicken set forth in the [Replacement] Franchise Agreement and this Agreement shall benefit only Franchisee; (ii) acknowledge and agree that no individual or other entity except Franchisee shall have any right to rely on, enforce, benefit from, or obtain relief for breach of, any obligation of Champs Chicken set forth in the [Replacement] Franchise Agreement or this Agreement, either directly or by subrogation; and (iii) covenant, warrant, represent, and agree that neither Franchisee nor Transferee nor any other Releasing Party will make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand, that alleges, asserts, or otherwise raises any matter contrary to Clause (i) or Clause (ii) of this Section 4.4.1.

4.4.2 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that: (i) in the event of any breach of Section 4.4.1 of this Agreement, Champs Chicken would be irreparably injured and without adequate remedy at law; and (ii) in the event of a breach or a threatened or attempted breach of any provision of Section 4.4.1 of this Agreement, Champs Chicken will be entitled, in addition to any other remedies Champs Chicken may have at law or in equity or otherwise, to a preliminary and permanent injunction and a decree for specific performance of the provisions of Section 4.4.1, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

4.5 Partial Invalidity. Except as otherwise set forth in this Section 4.5, if any provision of this Agreement is declared invalid or unenforceable for any reason, such provision shall be modified to the minimum extent necessary to make it valid and enforceable; or if it cannot be so modified, then severed, and the remaining provisions of this Agreement shall remain in full force and effect, and the parties agree that they would have signed this Agreement as so modified. Notwithstanding the foregoing, if any provision of Section 1, Section 2, Section 3, or this Section 4 shall be declared invalid or unenforceable such that the Release, Estoppel, Covenant Not to Sue, or Indemnification set forth in Section 1 of this Agreement partially, substantially, or completely fails of its essential purpose, the [renewal of the Franchise] [consent to relocate the Restaurant, provided the relocated Restaurant has not already opened for business] [extension of the Opening Date, provided the Restaurant has not already opened for business] [Transfer of the Interest] [Transfer of Operating Rights] shall be voidable by Champs Chicken. If Champs Chicken avoids the [renewal of the Franchise] [relocation of the Restaurant] [extension of the Opening Date] [Transfer of the Interest] [Transfer of Operating Rights], such avoidance may be as of the Effective Date or as of any time thereafter, at Champs Chicken's discretion.

4.6 Effect of Recitals. The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes, and shall in no event be considered prefatory language or mere surplusage.

4.7 No Adverse Construction. All parties to this Agreement are skilled and experienced business professionals, [all have been represented by skilled and experienced counsel in the negotiation, drafting, execution, and delivery of this Agreement,] and all have contributed to the negotiation and drafting of this Agreement. As a result, in no event may any adverse construction of this Agreement be attributed to any party as the drafting party.

4.8 Survival of Obligations. All obligations of this Agreement that expressly or by their nature require performance after the termination or expiration of the [Replacement] Franchise Agreement, or that by their nature would reasonably be expected to continue in effect after termination or expiration of the [Replacement] Franchise Agreement, shall continue in full force and effect after and notwithstanding the termination or expiration of the [Replacement] Franchise Agreement, until they are satisfied in full or by their nature expire.

4.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement.

4.10 Submission of Agreement; Effectiveness. Submission of this Agreement to [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee] does not constitute an offer to enter into a contract. This Agreement shall not be binding on Champs Chicken unless and until: (i) it is duly executed by Champs Chicken's authorized officer; and (ii) such duly-executed Agreement is delivered to Franchisee.

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

[FORM ONLY: SIGNATURES OF CHAMPS CHICKEN, FRANCHISEE, PRINCIPALS, TRANSFEROR, AND TRANSFEREE, AS APPROPRIATE, INTENTIONALLY OMITTED]

SCHEDULE G

FORM OF ESTOPPEL CERTIFICATE

[LETTERHEAD]

[Date]

Via [Method of Delivery]

[Franchisee's Name]
[Franchisee's Address]
[Franchisee's Address]
[Franchisee's Address]

Re: *Champs Chicken® Franchise Agreement between Champs Chicken Franchising, LLC ("Champs Chicken") and __________________________ ("Franchisee") dated ________________, 20____ (the "Franchise Agreement"): **Estoppel Certificate***

Dear ___________________:

As you know, Franchisee and Champs Chicken are parties to the above-referenced Franchise Agreement. The Franchise Agreement requires Franchisee to provide Champs Chicken with a completed copy of this Estoppel Certificate, dated and executed by you if Franchisee is a proprietorship, by Franchisee's chief executive officer if Franchisee is a corporation, by Franchisee's managing partner if Franchisee is a partnership, or by Franchisee's managing member if Franchisee is a limited liability company, so that Champs Chicken actually receives it back from Franchisee by the end of ten (10) days after the date Champs Chicken delivers it to Franchisee.

Please review the matters set forth below, and provide Champs Chicken with true, accurate, and complete responses:

__________ 1. Champs Chicken is not in breach of the Franchise Agreement.
(Initial)

OR

2. Champs Chicken is in breach of the Franchise Agreement in the following respects:

____

____

____

____

____

____

Please attach additional paper if you need additional space to give true, accurate, and complete responses.

Champs Chicken has enclosed a self-addressed envelope for your convenience.

Thank you for your cooperation in this matter. If you have any questions or comments, please call me at ________________________.

Very truly yours,

CHAMPS CHICKEN FRANCHISING, LLC

[SENDER'S NAME]

___/__
Enclosure

cc: [Recipient]
[Recipient]
[Recipient]

Certified to be true and correct this _______day of ____________________, 20_____.

[FRANCHISEE'S NAME]

By: ______________________________________
(Signature)

Name: ______________________________________
(Print Name)

Title: ______________________________________

EXHIBIT B

CHAMPS CHICKEN FRANCHISING, LLC

STATE REGULATIONS AND REQUIREMENTS ADDENDUM

STATE REGULATIONS AND REQUIREMENTS ADDENDUM

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law is void.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

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.

AMENDMENT TO THE CHAMPS CHICKEN FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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.

-Remainder of Page Intentionally Blank-

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

CHAMPS CHICKEN FRANCHISING, LLC

By:_____________________________________

Shawn Burcham, President and CEO
(Print Name, Title)

FRANCHISEE:

____

By:_____________________________________

_________________________, _________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ADDENDUM TO THE
CHAMPS CHICKEN FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* ("NDFIL"). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.

2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.

3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;

4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;

5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extend prohibited by the NDFIL;

6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

CHAMPS CHICKEN FRANCHISING, LLC

By:____

Shawn Burcham, President and CEO
(Print Name, Title)

FRANCHISEE:

____

By:____

___________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

EXHIBIT C

CHAMPS CHICKEN FRANCHISING, LLC

STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Our agent for service of process in the State of Missouri is as follows:
Shawn Burcham
120 Commerce Drive
Holts Summit, Missouri 65043

EXHIBIT D

CHAMPS CHICKEN FRANCHISING, LLC

FINANCIAL STATEMENTS

Financial Statements
June 30, 2025 and 2024

Champs Chicken Franchising, LLC

eidebailly.com

Independent Auditor's Report 1

Financial Statements

Balance Sheets 3
Statements of Operations 4
Statements of Member's Equity 5
Statements of Cash Flows 6
Notes to Financial Statements 7

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Champs Chicken Franchising, LLC, which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Champs Chicken Franchising, LLC as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Eide Bailly LLP

Fargo, North Dakota
September 22, 2025

	2025	2024
Assets		
Current Assets		
Cash and cash equivalent	$ 198,694	$ 301,412
Receivables		
Due from related party	55,372	48,405
Income taxes	15,607	1,856
Total current assets	269,673	351,673
Certificates of Deposit	74,959	224,968
Investments	247,417	-
Intangible Assets, Net of Accumulated Amortization	660	840
	$ 592,709	$ 577,481
Liabilities and Member's Equity		
Current Liabilities		
Current portion of deferred revenues	$ 1,750	$ 1,750
Total current liabilities	1,750	1,750
Long-Term Liabilities		
Deferred revenues, net of current portion	16,625	18,375
Deferred income taxes	8,390	4,150
Total long-term liabilities	25,015	22,525
Total liabilities	26,765	24,275
Member's Equity	565,944	553,206
	$ 592,709	$ 577,481

	2025	2024
Revenues		
License fees	$ 205,184	$ 191,266
Operating Expenses		
Professional fees	92,900	91,655
Advertising expense	75,000	-
Directors fees	43,800	41,550
Education and Training	7,700	-
Dues and subscriptions	2,109	2,305
Registration and license fees	750	1,100
Sponsorships	243	-
Amortization expense	180	180
Bank service changes	-	32
Total operating expenses	222,682	136,822
Operating Income (Loss)	(17,498)	54,444
Other Income		
Interest income	7,391	11,472
Investment income	11,434	-
Unrealized gains	15,811	-
Total other income	34,636	11,472
Net Income Before Income Taxes	17,138	65,916
Provision for Income Taxes	(4,400)	(15,800)
Net Income	$ 12,738	$ 50,116

	Member's Equity
Balance, June 30, 2023	$ 503,090
Net income	50,116
Balance, June 30, 2024	553,206
Net income	12,738
Balance, June 30, 2025	$ 565,944

	2025	2024
Operating Activities		
Net income	$ 12,738	$ 50,116
Adjustments to reconcile net income to net cash from operating activities		
Amortization	180	180
Deferred income taxes	4,240	150
Unrealized gain on investments	(15,854)	-
Changes in assets and liabilities		
Due from related party	(6,967)	1,582
Deferred revenue	(1,750)	(1,750)
Income taxes	(13,751)	(7,061)
Net Cash from (Used for) Operating Activities	(21,164)	43,217
Investing Activities		
Purchase of certificates of deposit	(157,062)	(224,968)
Purchase of investments	(231,958)	-
Proceeds from the maturities of certificates of deposit	307,114	-
Proceeds from the sale of investments	352	-
Net Cash Used for Investing Activities	(81,554)	(224,968)
Net Cash from Financing Activities	-	-
Net Change in Cash	(102,718)	(181,751)
Cash and Cash Equivalents, Beginning of Year	301,412	483,163
Cash and Cash Equivalents, End of Year	$ 198,694	$ 301,412
Supplemental Disclosure of Cash Flow Information		
Cash refunds for income taxes	$ 39	$ 20
Cash payments for income taxes	$ 13,950	$ 22,731

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Champs Chicken Franchising, LLC (the Company) was formed on September 4, 2013, for the purpose of managing franchise restaurant operations and will continue perpetually until dissolution. The Company sells two types of franchises, “BWB” and “Freestanding.” “BWB” or “business within a business” is a franchise for the operation of Champs Chicken restaurants inside an existing business, such as a convenience store or grocery store. “Freestanding” franchises are standalone restaurants. The company does not charge the franchisees an initial startup fee for this type of franchise. The company derives a license fee from the affiliate Pro Food Systems, Inc. for the sale of product to the franchisees. The Company had 398 and 401 existing “BWB” franchises and had 1 and 0 existing “Freestanding” franchises as of June 30, 2025 and 2024, respectively. The company awarded 34 new franchisees in 2025 and 28 new franchisees in 2024. The company closed 36 and 41 franchises in 2025 and 2024, respectively.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025 and 2024, the Company had $0 in excess of FDIC-insured limits. At June 30, 2025 and 2024, the Company had approximately $4,800 and $0, respectively, in uninsured investment money market accounts.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less.

Receivables and Allowance for Credit Losses

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 4, Related Party Transactions).

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at June 30, 2025 and 2024 because the composition of the trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at June 30, 2025 and 2024 totaled $0. There were no changes in the allowance for credit losses for receivables for the year ended June 30, 2025 and 2024.

Intangible Assets

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

Income Taxes

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

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of June 30, 2025 and 2024, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.’s net sales to the franchisees for license fees for the years ended June 30, 2025 and 2024. The Company collected 3.00% of Pro Food Systems Inc.’s net sales to the stand alone franchisee for license fees for the years ended June 30, 2025 and 2024.

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

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certificates of Deposit

Certificates of deposit consist of those with maturities greater than 3 months. Certificates of deposits are recorded at amortized cost which approximates fair value. All certificates of deposit have a maturity of one year or less.

Investments in Equity Securities

Investments in equity securities with readily determinable fair values are measured at fair value in the balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in net income.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

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. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

There have been no changes in Level 1, Level 2, and Level 3 and no changes in valuation techniques for these assets or liabilities for the years ended June 30, 2025 and 2024.

Advertising

The Company expenses promotion and advertising costs as they are incurred. Advertising and promotion costs totaled $75,000 and $0 for the years ended June 30, 2025 and 2024, respectively.

Subsequent Events

The Company has evaluated subsequent events through September 22, 2025, the date which the financial statements were available to be issued.

Note 2 - Revenue

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2025 and 2024:

	2025	2024
Revenue recognized over time	$ 205,184	$ 191,266
Total revenue from contracts with customers	$ 205,184	$ 191,266

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

The beginning and ending balances for accounts receivable and deferred revenues were as follows for the years ended June 30, 2025 and 2024:

	2025	
	July 1	June 30
Accounts receivable	$ 48,405	$ 55,372
Deferred revenues	20,125	18,375

	2024	
	July 1	June 30
Accounts receivable	$ 49,987	$ 48,405
Deferred revenues	21,875	20,125

Note 3 - Intangible Assets

Intangible assets as of June 30, 2025, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational costs	$ 2,700	$ 2,040	$ 660

Intangible assets as of June 30, 2024, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational costs	$ 2,700	$ 1,860	$ 840

Amortization expense for the years ended June 30, 2025 and 2024, was $180.

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

Years ending June 30,	Amount
2026	$ 180
2027	180
2028	180
2029	120
	$ 660

Note 4 - Related Party Transactions

Related party balances as of and for the years ended June 30, 2025 and 2024 consist of the following:

	2025	2024
Royalty income received from Pro Food Systems, Inc.	$ 194,706	$ 191,266
Royalty income received from Show Me Oil Company, Inc.	10,478	-
Accounts receivable due from Pro Food Systems, Inc.	55,372	48,405
Deferred revenue from Pro Food Systems, Inc.	18,375	20,125
Management fees paid to Burcham Companies, LLC	60,000	60,000
Directors fees paid to member's immediate family	43,800	41,550
Advertising expense paid to Pro Food Systems, Inc.	75,000	-
Reimbursement of training expense to Burcham Rentals, Inc.	7,700	-

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

Note 5 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of June 30, 2025 and 2024:

	2025	2024
Deferred Tax Assets (Liabilities)		
Receivables	$ (13,140)	$ (12,000)
Unrealized gains	(3,900)	-
Net operating loss	2,050	-
Deferred revenues	4,500	4,850
Intangibles	2,100	3,000
Net deferred tax liability	$ (8,390)	$ (4,150)

The provision for income taxes charged to income for the years ended June 30, 2025 and 2024, consists of the following:

	2025	2024
Current		
Federal	$ (19)	$ (13,101)
State	(141)	(2,549)
	(160)	(15,650)
Deferred		
Federal	(4,240)	(150)
	$ (4,400)	$ (15,800)

The Company’s provisions for 2025 differ from what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of timing differences from using the accrual method of accounting for financial statement reporting purposes and the cash method of accounting for income tax reporting purposes.

As of June 30, 2025, the Company had approximately $8,325 of federal net operating loss carryforwards available to offset future taxable income. The federal net operating losses, generated after 2018, do not expire and may be carried forward indefinitely. The Company had $0 of federal tax credit carryforwards as of June 30, 2025.

Note 6 - Concentrations

Customer Concentration

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended June 30, 2025 and 2024. See also Note 4 for Related Party Transactions.

Note 7 - Investments

Equity securities measured at fair value through net income include the following as of June 30, 2025 and 2024:

	2025	2024
Mutual funds	$ 82,687	$ -
Exchange traded funds	164,730	-
	$ 247,417	$ -

Investment income and gains and losses consists of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Investment income	$ 18,825	$ -
Unrealized gains	15,811	-
	$ 34,636	$ -

The portion of unrealized gains and losses for the period related to equity securities still held at June 30, 2025 and 2024 is as follows:

	2025	2024
Net gains and losses recognized during the period on equity securities	$ 15,811	$ -
Less net gains and losses recognized during the period on equity securities sold during the period	-	-
Unrealized gains and losses recognized during the reporting period on equity securities still held at the reporting date	$ 15,811	$ -

Note 8 - Fair Value of Assets

There are three general valuation techniques that may be used to measure fair value, as described below:

1. Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
2. Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
3. Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets itemized below were measured at fair value using the market approach.

Assets measured at fair value as of June 30, 2025 are as follows:

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2025				
Mutual funds	$ 82,687	$ 82,687	$ -	$ -
Exchange traded funds	164,730	164,730	-	-
Total assets	$ 247,417	$ 247,417	$ -	$ -

There were no assets measured at fair value as of June 30, 2024.

Financial Statements
June 30, 2024 and 2023

Champs Chicken Franchising, LLC

EideBailly®

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Champs Chicken Franchising, LLC, which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Champs Chicken Franchising, LLC as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Eide Bailly LLP

Fargo, North Dakota
August 21, 2024

	2024	2023
Assets		
Current Assets		
Cash and cash equivalent	$ 301,412	$ 483,163
Receivables		
Due from related party	48,405	49,987
Income taxes	1,856	-
Total current assets	351,673	533,150
Certificates of Deposit	224,968	-
Intangible Assets, Net of Accumulated Amortization	840	1,020
	$ 577,481	$ 534,170
Liabilities and Member's Equity		
Current Liabilities		
Current portion of deferred revenues	$ 1,750	$ 1,750
Income taxes payable	-	5,205
Total current liabilities	1,750	6,955
Long-Term Liabilities		
Deferred revenues, net of current portion	18,375	20,125
Deferred income taxes	4,150	4,000
Total long-term liabilities	22,525	24,125
Total liabilities	24,275	31,080
Member's Equity	553,206	503,090
	$ 577,481	$ 534,170

	2024	2023
Revenues		
License fees	$ 191,266	$ 203,088
Operating Expenses		
Professional fees	91,655	91,965
Directors fees	41,550	38,850
Dues and subscriptions	2,305	2,363
Registration and license fees	1,100	1,250
Contribution	-	500
Advertising expense	-	382
Amortization expense	180	180
Bank service changes	32	50
Postage and delivery	-	31
Total operating expenses	136,822	135,571
Operating Income	54,444	67,517
Other Income		
Interest income	11,472	7,039
Net Income Before Income Taxes	65,916	74,556
Provision for Income Taxes	(15,800)	(17,100)
Net Income	$ 50,116	$ 57,456

	Member's Equity
Balance, June 30, 2022	$ 445,634
Net income	57,456
Balance, June 30, 2023	503,090
Net income	50,116
Balance, June 30, 2024	$ 553,206

	2024	2023
Operating Activities		
Net income	$ 50,116	$ 57,456
Adjustments to reconcile net income to net cash from operating activities		
Amortization	180	180
Deferred income taxes	150	-
Changes in assets and liabilities		
Due from related party	1,582	1,600
Deferred revenue	(1,750)	(1,750)
Income taxes	(7,061)	(5,339)
Net Cash from Operating Activities	43,217	52,147
Investing Activities		
Purchase of certificates of deposit	(224,968)	-
Net Cash Used for Investing Activities	(224,968)	-
Net Cash from Financing Activities	-	-
Net Change in Cash	(181,751)	52,147
Cash and Cash Equivalents, Beginning of Year	483,163	431,016
Cash and Cash Equivalents, End of Year	$ 301,412	$ 483,163
Supplemental Disclosure of Cash Flow Information		
Cash refunds for income taxes	$ 20	$ 13
Cash payments for income taxes	$ 22,731	$ 22,452

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Champs Chicken Franchising, LLC (the Company) was formed on September 4, 2013, for the purpose of managing franchise restaurant operations and will continue perpetually until dissolution. The Company sells two types of franchises, "BWB" and "Freestanding." "BWB" or "business within a business" is a franchise for the operation of Champs Chicken restaurants inside an existing business, such as a convenience store or grocery store. "Freestanding" franchises are standalone restaurants. The company does not charge the franchisees an initial startup fee for this type of franchise. The company derives a license fee from the affiliate Pro Food Systems, Inc. for the sale of product to the franchisees. The Company had 401 and 414 existing "BWB" franchises and no "Freestanding" franchises as of June 30, 2024 and 2023, respectively. The company awarded 28 new franchisees in 2024 and 37 new franchisees in 2023. The company closed 41 and 56 franchises in 2024 and 2023, respectively.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024 and 2023, the Company had approximately $0 and $230,000, respectively, in excess of FDIC-insured limits.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less.

Receivables and Allowance for Credit Losses

The Company states its accounts receivable balance at the amount management expects to be collectible, and the balance in the current year consists entirely of quarterly license fees due from Pro Food Systems, Inc., an affiliate (see Note 5, Related Party Transactions).

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at June 30, 2024 and 2023 because the composition of the trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at June 30, 2024 and 2023 totaled $0. There were no changes in the allowance for credit losses for receivables for the year ended June 30, 2024.

Intangible Assets

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

Income Taxes

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

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of June 30, 2024 and 2023, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

License fee revenue is considered to be a sales-based royalty that is recognized over time as the franchisee receives the benefits from the products sold by Pro Food Systems, Inc. to the franchisee. Generally, the license fee revenue is billed and collected quarterly in arrears. The Company collected 0.50% of Pro Food Systems Inc.'s net sales to the franchisees for license fees for the years ended June 30, 2024 and 2023.

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

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certificates of Deposit

Certificates of deposit consist of those with maturities greater than 3 months. Certificates of deposits are recorded at amortized cost which approximates fair value. All certificates of deposit have a maturity of one year or less.

Subsequent Events

The Company has evaluated subsequent events through August 21, 2024, the date which the financial statements were available to be issued.

Note 2 - Adoption of ASC 326 – Financial Instruments – Credit Losses

As of July 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Company adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after July 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of the new standard did not materially impact the Company's financial statements.

Note 3 - Revenue

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2024 and 2023:

	2024	2023
Revenue Recognized Over Time	$ 191,266	$ 203,088
Total revenue from contracts with customers	$ 191,266	$ 203,088

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

The beginning and ending balances for accounts receivable and deferred revenues were as follows for the years ended June 30, 2024 and 2023:

	2024	
	July 1	June 30
Accounts receivable	$ 49,987	$ 48,405
Deferred revenues	21,875	20,125

	2023	
	July 1	June 30
Accounts receivable	$ 51,587	$ 49,987
Deferred revenues	23,625	21,875

Note 4 - Intangible Assets

Intangible assets as of June 30, 2024, consist of the following:

	Cost	Accumulated Amortization	Net
Organizational costs	$ 2,700	$ 1,860	$ 840

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

	Cost	Accumulated Amortization	Net
Organizational costs	$ 2,700	$ 1,680	$ 1,020

Amortization expense for the years ended June 30, 2024 and 2023, was $180.

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

Years ending June 30,	Amount
2025	$ 180
2026	180
2027	180
2028	180
2029	120
	$ 840

Note 5 - Related Party Transactions

Related party balances as of and for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Royalty income received from Pro Food Systems, Inc.	$ 191,266	$ 203,088
Accounts receivable due from Pro Food Systems, Inc.	48,405	49,987
Deferred revenue from Pro Food Systems, Inc.	20,125	21,875
Management fees paid to Burcham Companies, LLC	60,000	60,000
Directors fees paid to member's immediate family	41,550	38,850

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

Note 6 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of June 30, 2024 and 2023:

	2024	2023
Deferred Tax Assets (Liabilities)		
Receivables	$ (12,000)	$ (12,000)
Deferred revenues	4,850	5,000
Intangibles	3,000	3,000
Net deferred tax liability	$ (4,150)	$ (4,000)

The provision for income taxes charged to income for the years ended June 30, 2024 and 2023, consists of the following:

	2024	2023
Currently payable	$ (15,650)	$ (17,100)
Deferred	(150)	-
	$ (15,800)	$ (17,100)

The Company’s provisions for 2024 differ from what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of timing differences from using the accrual method of accounting for financial statement reporting purposes and the cash method of accounting for income tax reporting purposes.

Note 7 - Concentrations

Customer Concentration

Pro Food Systems, Inc. accounted for 100% of revenues for the years ended June 30, 2024 and 2023. See also Note 5 for Related Party Transactions.

EXHIBIT E

CHAMPS CHICKEN FRANCHISING, LLC

LIST OF FRANCHISEES AND OUTLETS

None as of June 30, 2025

EXHIBIT F

CHAMPS CHICKEN FRANCHISING, LLC

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EXHIBIT G

CHAMPS CHICKEN FRANCHISING, LLC

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

RELEASE, ESTOPPEL, COVENANT NOT TO SUE, AND INDEMNIFICATION

PRELIMINARY NOTE

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

FORM OF AGREEMENT

1. Release; Estoppel; Covenant Not to Sue; Indemnification.

1.1 Release. Franchisee, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, together with Principals, [Transferor, and Transferee,] and further together with and for the predecessors, successors, heirs, and assigns of any and all of the foregoing collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Champs Chicken and its officers, members, employees, agents, and attorneys, and Champs Chicken's affiliates and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them collectively, the "Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Effective Date of this Agreement: i) the Franchise Agreement; ii) any and all other Champs Chicken license agreements and franchise agreements between Champs Chicken and any of the Releasing Parties; iii) any and all Champs Chicken restaurants owned, opened, operated, or closed by Franchisee or any of the other Releasing Parties; iv) [such other matters as Champs Chicken deems appropriate]; and v) the business relationship between any or all of the Parties Released on the one hand, and any or all of the Releasing Parties on the other hand; including, without limitation, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering.

1.1.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 1.1 of this Agreement to any third party.

1.1.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 1.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 1.1 of this Agreement, this Section 1.1 shall be a complete and conclusive defense thereto.

1.2 Estoppel.

1.2.1 [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby acknowledge and agree that:

1.2.1.1 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any breach of the Franchise Agreement or any other agreement or document related to the Freestanding Restaurant, which other documents include, without limitation, the Franchise Disclosure Document that Champs Chicken delivered to Franchisee, as prospective Franchisee, which delivery was due and proper in every respect;

1.2.1.2 Neither the Parties Released nor any of them, at any time prior to the Effective Date of this Agreement, committed any violation of any constitution, statute, rule, regulation, ordinance, case law, or any other law; including, without limitation, the FTC Franchise Rule, [jurisdictions' franchise Laws or other relevant Laws], or otherwise, arising out of or related to the Freestanding Restaurant, the Freestanding Restaurant, the Champs Chicken franchise offering, the Champs Chicken franchise offering documents, the offer and sale of the Champs Chicken franchise, and the registration, non-registration, exemption from registration, or non-exemption from registration of the Champs Chicken franchise and the Champs Chicken franchise offering; and

1.2.1.3 Neither the Parties Released, nor any of them, owes the Releasing Parties, or any of them, any obligation, debt, claim, demand, right, action, cause of action, loss, losses, damage, damages, expense, cost, liability, or liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arises out of or is related to, or that may hereafter arise out of or relate to, any matter that is within the scope of the Release set forth in Section 1.1 of this Agreement.

1.2.2 If any Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in Section 1.1 or this Section 1.2 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in Section 1.1 or this Section 1.2 of this Agreement, this Section 1.2 shall be a complete and conclusive defense thereto.

1.3 Covenant Not to Sue. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that neither they nor any of them will: i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; ii) commence, or cause or permit to be commenced; iii) prosecute, or cause or permit to be prosecuted; or iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: a) the Release set forth in Section 1.1 of this Agreement; b) any matter that is within the ambit of such Release; c) the Estoppel set forth in Section 1.2 of this Agreement; or d) any matter that is within the ambit of such Estoppel.

1.4 Indemnification. [Franchisee and Principals] [Franchisee, Principals, Transferor, and Transferee], for themselves and the other Releasing Parties, hereby covenant, warrant, represent, and agree that they and the other Releasing Parties: i) will indemnify the Parties Released for, and will hold harmless the Parties Released from, any breach of Sections 1.1, 1.2, or 1.3 of this Agreement; and ii) will pay the amount of all losses and expenses arising out of or related to any breach of Sections 1.1, 1.2, or 1.3 of this Agreement so that the Party Released to which such payment is owed actually receives such payment by end of ten 10) days after demand therefor. Such losses and expenses shall include, without limitation, attorneys' fees and costs, including without limitation attorneys' fees and costs of appeal, and further including without limitation attorneys' fees and costs of collection. Each Party Released shall have the right to counsel such Party Released reasonably chooses. No Party Released will be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any loss and expense, to maintain and recover fully a claim under this Section 1.4. No failure to pursue such recovery or to mitigate a loss or expense will in any way reduce or alter the amounts any Party Released is entitled to recover. The obligations of [Franchisee, Principals] [Franchisee, Principals, Transferor, Transferee], and the other Releasing Parties under this Section 1.4: a) shall be joint and several; and b) shall be within the ambit of all guaranties made by [Franchisee's Principals] [Franchisee's Principals, Transferor, Transferor's Principals, Transferee, Transferee's Principals], and other guarantors, all of which shall remain in full force and effect.

CHAMPS CHICKEN FRANCHISING, LLC:

By: Exhibit Only: Not for Execution at This Time

Title:

FRANCHISEE:

By: Exhibit Only: Not for Execution at This Time

Title:

TRANSFEREE:

By: Exhibit Only: Not for Execution at This Time

Title:

PRINCIPAL:

Exhibit Only: Not for Execution at This Time
Individually and as Principal

PRINCIPAL:

Exhibit Only: Not for Execution at This Time
Individually and as Principal

PRINCIPAL:

Exhibit Only: Not for Execution at This Time
Individually and as Principal

EXHIBIT H

CHAMPS CHICKEN FRANCHISING, LLC

FRANCHISEE ACKNOWLEDGMENT STATEMENT

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

NOT FOR USE IN CALIFORNIA

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

7. Franchisee acknowledges that it has received the Champs Chicken Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE CHAMPS CHICKEN FRANCHISING, LLC, PRO FOOD SYSTEMS, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

FRANCHISEE:	PRINCIPAL:
____________________________	____________________________
By:_________________________	____________________________ (Print Name)
_____________,_____________ (Print Name, Title)	Date: ______________________
Date:_____________________	

PRINCIPAL:

____

____
(Print Name)

Date: ______________________________

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	**EFFECTIVE DATE**
Illinois	Pending
North Dakota	Pending
South Dakota	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

CHAMPS CHICKEN FRANCHISING, LLC

DISCLOSURE DOCUMENT RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Champs Chicken offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Champs Chicken does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit C.

The franchisor is Champs Chicken Franchising, LLC, located at 120 Commerce Drive, Holts Summit, Missouri 65043. Its telephone number is (573) 896-2500.

Issuance Date: October 17, 2025

The name, principal address and telephone number of each franchise seller offer the franchise: _________
____.

Champs Chicken authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated_______________, that included the following Exhibits:

A Champs Chicken Franchise Agreement
B State Regulations and Requirements Addendum
C State Administrators and Agents for Service of Process
D Financial Statements
E List of Franchisees and Outlets
F Confidential Operations Manual Table of Contents
G Form of Release, Estoppel, Covenant Not to Sue, and Indemnification
H Franchisee Acknowledgment Statement
I Disclosure Document Receipts

Date Received: ______________________
(If other than date signed)

DATE:____________________________________

Print Name:______________________________

Print Address: ____________________________

City, State: ____________________________

____
(Signature of recipient)

Your Copy: Please Sign, Date, and Keep for your Records

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Champs Chicken offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.
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F Confidential Operations Manual Table of Contents
G Form of Release, Estoppel, Covenant Not to Sue, and Indemnification
H Franchisee Acknowledgment Statement
I Disclosure Document Receipts

Date Received: ________________________
(If other than date signed)

DATE:____

Print Name:___________________________________

Print Address: _________________________________

City, State: _______________________________

____
(Signature of recipient)

Our Copy: Please Sign, Date, and Return to Us