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HUDDLE HOUSE, INC
A GEORGIA CORPORATION
5901-B PEACHTREE DUNWOODY ROAD, SUITE 450
SANDY SPRINGS, GEORGIA 30328

FRANCHISE DISCLOSURE DOCUMENT

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HUDDLE HOUSE, INC
A GEORGIA CORPORATION
5901-B PEACHTREE DUNWOODY ROAD,
SUITE 450
SANDY SPRINGS, GEORGIA 30328
(770) 325-1300
www huddlehouse com
franchiseinfo@huddlehouse com

Huddle House, Inc offers franchises for the operation of full service restaurants that serve all meals, including breakfast foods, during all hours of operation

The total investment necessary to begin operation of a Huddle House franchise is ~~$504,435~~511,935 to $1,~~310,575~~328,075 for a New Development Unit when leasing the land and building and purchasing the equipment and signs This includes $73,490 to $105,990 (or $74,990 to $113,490, if you lease the restaurant premises from the franchisor) that must be paid to the franchisor or its affiliates If you sign a development agreement for the opportunity to develop multiple Huddle House franchises (we do not specify a minimum number to be eligible for a development agreement), you will pay a development fee for the rights to those development opportunities The development fee will vary depending on the number of Huddle House Restaurants you are committed to develop, and is calculated as the total of the $35,000 for your first franchise and $17,500 for each additional franchise to be developed (the development fee is separate from the initial franchise fee)

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

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

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

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

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

The issuance date is August 9, 2019- as amended October 9, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in **Exhibit C** for information about the Franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 * **THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS**

2 * **THE FRANCHISE AGREEMENT REQUIRES THE FRANCHISEE TO LITIGATE ONLY IN GEORGIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO LITIGATE WITH THE FRANCHISOR IN GEORGIA THAN IN YOUR HOME STATE**

~~3 YOU WILL NOT BE GRANTED AN EXCLUSIVE TERRITORY.~~

~~4~~3. **IF YOU ARE MARRIED, YOUR SPOUSE MAY BE REQUIRED TO SIGN A PERSONAL GUARANTEE DOCUMENT THAT MAKES YOUR SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, WHETHER OR NOT YOUR SPOUSE HAS ANY OWNERSHIP IN THE FRANCHISE OR IS INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS THIS GUARANTEE REQUIREMENT WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.**

~~5~~4.* **THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.**

* LOCAL LAW MAY SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN ADDENDUM IN THIS DISCLOSURE DOCUMENT

Brokers· In certain circumstances, we use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Dates· Please see the following page for the respective state effective dates

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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATES	EFFECTIVE DATE
California	August 26 2019 as amended
Illinois	August 9 2019, as amended
Indiana	August 11 2019 as amended October 9 2019
Maryland	
Michigan	August 9, 2019 as amended October 9 2019
Minnesota	August 29 2019, as amended
New York	
North Dakota	August 28, 2019 as amended
Rhode Island	August 10, 2019, as amended
South Dakota	August 9, 2019, as amended October 9 2019
Virginia	
Washington	
Wisconsin	August 9, 2019 as amended

This Franchise Disclosure Document is exempt from the following states having business opportunities laws, with the following effective dates of the exemptions

STATES	EFFECTIVE DATE
Florida	August 9, 2019
Kentucky (one-time filing)	December 1994
Nebraska (one-time filing)	January 19, 2012
Texas (one-time filing)	July 26, 1985
Utah	August 12, 2019

In all other states, the effective date of this Franchise Disclosure Document is the issuance date August 9, 2019-, as amended October 9 2019

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

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

The Franchisor

HHI's principal place of business is at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328 HHI was incorporated as a Georgia corporation on April 22, 1964 A list of HHI's registered agents for service of process is included in **Exhibit B** to this Disclosure Document HHI does business under the names "Huddle House, Inc " and "Huddle House "

HHI has developed a plan and system (the "**Huddle House System**") for retail food sales and restaurant operations, which includes recipe formulation and food preparation techniques, equipment selection and layouts, accounting methods, merchandising, advertising, sales and promotional techniques, personnel training, and other matters relating to the operation and promotion of restaurants

HHI also operates a food division which sells food, supplies, smallwares, parts and equipment to restaurants operating under the Huddle House System and the Marks, as defined below ("**Huddle House Restaurants**") HHI also leases and sub-leases restaurant facilities and equipment to some franchisees under the Huddle House System, as well as to others HHI also operates as a for-hire carrier In addition to deliveries to Huddle House Restaurants, HHI contracts with various 3rd parties to haul freight to designated points

HHI has operated Huddle House Restaurants since April 22, 1964, and has offered franchises since 1966 HHI does not offer, nor has it previously offered, franchises in any other line of business for Huddle House Restaurants

Parents, Predecessors and Certain Affiliates

HHI is a direct wholly-owned subsidiary of Griddle Holdings, Inc ("**Griddle Holdings**"), which is a direct wholly-owned subsidiary of Huddle House Holdings, Inc ("**Huddle House Holdings**") (together, the "**Huddle House Entities**") The Huddle House Entities were previously owned by affiliates of Sentinel Capital Partners, LLC, a private equity firm with its principal business address at 330 Madison Avenue, 27th Floor, New York, NY 10017

On January 31, 2018, Sentinel Capital Partners, LLC completed a transaction with Peachtree Parentco, Inc ("**Peachtree Parentco**"), a corporation with its principal business address at 5901-B Peachtree Dunwoody Road, Suite 450 Sandy Springs, GA 30328, by which Peachtree Parentco acquired the Huddle House Entities (the "**Transaction**") Peachtree Parentco is indirectly owned, through various holding companies, by Elysium Investments (Second) LLC ("**Elysium Second**"), an investment vehicle whose principal business address is 445 Park Avenue, Suite 1401, New York, NY 10022, and is ultimately managed and controlled by Elysium Management LLC ("**Elysium Management**"), a family office whose principal business address is 445 Park Avenue, Suite 1401, New York, NY 10022 As a consequence of the Transaction, Elysium Management effectively ultimately controls HHI and Peachtree Parentco is directly responsible for control of HHI and the Huddle House Entities

The Huddle House Entities, Peachtree Parentco, Elysium Second and Elysium Management have never previously operated businesses of the type being franchised under this Disclosure Document or offered franchises in any line of business and, other than HHI, do not currently provide products or services to HHI franchisees Elysium Second and/or affiliates of it or its owners may ~~in the future~~ invest in other companies that offer

franchises and/or own restaurant enterprises that may compete with the type business being franchised under this Disclosure Document

Huddle House Marketing Fund, Inc ("**HH Marketing Fund**"), which is an affiliate of HHI, is a Georgia non-profit corporation with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328 HHI established the HH Marketing Fund to operate and administer advertising and promotional funds designed to promote and benefit the Huddle House System The HH Marketing Fund is not engaged in any other line of business and has never engaged in the sale of franchises

~~Based on the common equityholders of Elysium Management on the one hand and of Apollo Global Management, LLC ("**Apollo**") on the other hand, HHI may be deemed affiliated with CEC Entertainment, Inc ("**CEC**") and Qdoba Restaurant Corporation ("**Qdoba Corp**"), which have franchise operations as described below~~

~~CEC is the franchisor of the Chuck E Cheese's franchise network CEC's wholly-owned subsidiary, Peter Piper, Inc ("**Peter Piper**"), is the franchisor of the Peter Piper Pizza franchise network The principal business address of each of CEC and Peter Piper is 1707 Market Place Blvd, Suite 200, Irving, Texas 75063 Chuck E Cheese's restaurants have been operated since 1977 and have been franchised since 1979, and Peter Piper Pizza restaurants have been operated since 1973 and have been franchised since 1977 As of December 30, 2018, there were 26 domestic franchised Chuck E Cheese's restaurants and 61 domestic franchised Peter Piper Pizza restaurants in operation CEC has never offered franchises in any other line of business nor has conducted a business similar to the Huddle House Restaurant you will operate~~

~~Qdoba Corp is operates and franchises Qdoba Mexican Eats ("**Qdoba**") restaurants Qdoba Corp is the franchisor of the Qdoba domestic franchise network The principal business address of Qdoba Corp is 9330 Balboa Avenue, San Diego, CA 92123 Qdoba restaurants have been operated since 1995 and have been franchised since 1997 As of January 1, 2019, there were 356 domestic franchised Qdoba restaurants in operation Qdoba has never offered franchises in any other line of business nor has conducted a business similar to the Huddle House Restaurant you will operate~~

The Franchise Offered

A Huddle House Restaurant is a full-service restaurant that serves all meals and menu items at all times to customers for on-premises and personal carry out consumption and for off-site catering services ("**Catering**") and delivery service within the "Territory" of the restaurant or other pre-approved geographic areas conducted in accordance with HHI's standards and specifications (a "**Franchise**") Huddle House Restaurant's menu features steaks, sandwiches, hamburgers, chicken, shrimp, potatoes, vegetables, desserts, beverages and a full breakfast menu

HHI offers and sells franchises under which you may develop and operate a new Huddle House Restaurant (a "**New Development Unit**"), and also offers franchises in connection with the sale of existing Huddle House Restaurants where HHI has a property interest in the location and will lease or sell (under limited circumstances, such as when extensive remodeling is needed or to assist the franchisee with obtaining financing) the property to the franchisee (a "**Resale Unit**") Unless otherwise specified, the information and terms described in this Disclosure Document apply to New Development Units and Resale Units, and the terms "**Standard Unit**" and "**Unit**" interchangeably may mean a New Development Unit or a Resale Unit

If approved by us for a Franchise, you (individuals, partnerships, corporations, limited liability companies, and the owners of partnerships, corporations, and limited liability companies will be referred to as "**you**," and the restaurant you will operate will be referred to as "**your Franchise**" or "**the Franchise**") will sign a standard franchise agreement (the "**Franchise Agreement**") If the franchisee is a corporation, partnership, or limited liability company, HHI will require all owners, shareholders, partners, or members to personally sign a

guaranty of the legal entity's obligations under each agreement You will operate your Franchise at a specific location accepted by HHI, as described in Section 2 of the Franchise Agreement Resale Units will operate at the locations of our existing restaurants In some of our materials and communications about the Huddle House System and among franchisees, we may refer our franchisees as our "Franchise Partners " In doing so, we do not mean or imply that franchisees are our partners in a legal or literal sense Rather, we use this phrase to reflect a spirit of cooperation and that we value the important role of our franchisees, as independent owners and operators in the Huddle House System

You must keep your Franchise open and in normal operation during the times that HHI specifies as mandatory hours of operation, which HHI may periodically change HHI has the right to modify the mandatory hours of operation in the future, including a mandatory 24 hour, 7 days a week, schedule

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

The System

The distinguishing characteristics of the Huddle House System include distinctive exterior and interior design, color scheme, décor, standards and specifications for products, equipment, materials, and supplies, specifications and procedures for operations, recipe formulation and food preparation techniques, procedures for accounting and management control, personnel training and assistance, and marketing, sales, and promotional programs, all of which may be changed, improved and further developed by HHI The Huddle House System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including "Huddle House", "HH", and "Huddle House, Inc ", as HHI may designate from time to time for use in HHI's Manuals or otherwise in writing (collectively, the "**Marks**") The current design model for a Huddle House Restaurant is referred to as the "Evolution" design HHI began using the Evolution design in 2011 Since July 2011, newly opened Huddle House Restaurant Units use the Evolution design and additional units have been remodeled with the Evolution design As of June 30, 2017, approximately 75 percent of the Huddle House Restaurants in the System have been remodeled or opened as Evolution design Units

Related Operations

HHI entered into an asset purchase agreement dated September 10 2019 with Perkins & Marie Callender's Holding LLC and certain of its affiliates to acquire assets used in the franchise ownership and operation of Perkins ("**Perkins**") family dining restaurants and bakeries (together the "**Perkins Business**") through the bid procedures of the United States Bankruptcy Court for the District of Delaware In a joinder agreement signed in October 2019 Perkins LLC, which a newly formed affiliate of that is owned (through various holding companies) by our parent, Flysium Management became a party to the asset purchase agreement for the purpose of buying the Perkins Business Perkins LLC is a Delaware limited liability company formed in September 2019 and has its principal business address at 5901-B Peachtree Dunwoody Road Suite 450 Sandy Springs GA 30328 The transaction is expected to close by October 21 2019 provided that all closing conditions

under the asset purchase agreement are satisfied and the bankruptcy court has entered a sale order by that date. Upon closing of the transaction, Perkins LLC will own the Perkins Business and serve as the franchisor of the Perkins network and operator of the company-owned Perkins restaurants. Perkins restaurants have been operated since 1958 and are family-style restaurants offer table service with a menu offering breakfast, lunch and dinner entrees and bakery items. As of September 30, 2019, there were 235 domestic franchised Perkins restaurants and 101 domestic company-owned Perkins restaurants in operation. Perkins LLC has never offered franchises in any other line of business nor has it operated any Huddle House Restaurant, or engaged in any other business activity.

Based on the common equity holders of Elysium Management on the one hand and of Apollo Global Management, LLC ("**Apollo**") on the other hand, HHI may be deemed affiliated with CEC Entertainment, Inc. ("**CEC**") and Qdoba Restaurant Corporation ("**Qdoba Corp.**"), which have franchise operations as described below.

CEC is the franchisor of the Chuck E. Cheese's franchise network. CEC's wholly-owned subsidiary, Peter Piper, Inc. ("**Peter Piper**") is the franchisor of the Peter Piper Pizza franchise network. The principal business address of each of CEC and Peter Piper is 1707 Market Place Blvd, Suite 200, Irving, Texas 75063. Chuck E. Cheese's restaurants have been operated since 1977 and have been franchised since 1979, and Peter Piper Pizza restaurants have been operated since 1973 and have been franchised since 1977. As of December 30, 2018, there were 26 domestic franchised Chuck E. Cheese's restaurants and 61 domestic franchised Peter Piper Pizza restaurants in operation. CEC has never offered franchises in any other line of business nor has conducted a business similar to the Huddle House Restaurant you will operate.

Qdoba Corp. is operates and franchises Qdoba Mexican Eats ("**Qdoba**") restaurants. Qdoba Corp. is the franchisor of the Qdoba domestic franchise network. The principal business address of Qdoba Corp. is 9330 Balboa Avenue, San Diego, CA 92123. Qdoba restaurants have been operated since 1995 and have been franchised since 1997. As of January 1, 2019, there were 356 domestic franchised Qdoba restaurants in operation. Qdoba has never offered franchises in any other line of business nor has conducted a business similar to the Huddle House Restaurant you will operate.

Competition

The market for restaurants is well developed and very competitive. Huddle House Restaurants will serve the general public and will compete primarily with other restaurants offering a similar menu and all other types of fast service restaurants. Your ability to compete will depend largely on geographical area, specific site location, general economic conditions, accessibility of your Franchise and your individual capabilities. Affiliation with the Huddle House System will not guarantee your successful or profitable business operation.

Industry-Specific Regulations

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

ITEM 2. BUSINESS EXPERIENCE

Unless otherwise indicated, the principal place of business of the employer is Sandy Springs, Georgia with respect to the Huddle House Entities, Peachtree Parentco Holdco, Peachtree Intermediateco Inc , ~~and~~ Peachtree Parentco, EH Franchising Holdco LLC, and EH Franchising Intermediateco LLC, and is New York, New York with respect to Elysium Management, Elysium Second, and Apollo

Bradley J. Wechsler: Director (Parent)

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

Benjamin E. Black· Director (Parent)

Peachtree Holdco Director (since February 2018)
EH Franchising Holdco LLC and EH Franchising Intermediateco LLC Director (since September 2019)
Knowledge Universe Portfolio Manager (since January 2018), located in Santa Monica, CA
OCV Partners Vice President, Venture Capital (August 2016 – December 2018), located in Los Angeles, CA
Apollo Associate, Private Equity (September 2014 – July 2016)
Sullivan & Cromwell LLP Associate, Attorney (September 2013 – September 2014), located in New York, NY
Mr Black may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor

Joshua M Black: Director (Parent)

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

Gregory H Ruben· Director (Parent)

Peachtree Holdco Director (since February 2018)
EH Franchising Holdco LLC and EH Franchising Intermediateco LLC Director (since September 2019)
Elysium Management Partner (since May 2016)
Goldman Sachs Investor (July 2008 – May 2016), located in New York, NY
Mr Ruben may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor

Michael Shen: Director (Parent)

Peachtree Holdco Director (since April 2019)
FH Franchising Holdco LLC and FH Franchising Intermediateco LLC Director (since September 2019)
Elysium Management Partner (since September 2018)
BC Partners Investor (September 2016 – September 2018), located in New York, NY
Mr Shen may also serve as a member of the board of directors of other companies, including those in which Elysium Management, or its affiliates, is an investor

Michael Abt – Chief Executive Officer and President, Director

HHI Director and CEO (since October 2012), and President (since February 2018)
Griddle Holdings CEO (since October 2012) and Director and President (since February 2018)
Huddle House Holdings Director and CEO (since October 2012) and President (since February 2018)
Huddle House Marketing Fund Director (since March 2013)
Peachtree entities for Peachtree Holdco, Peachtree Intermediateco Inc and Peachtree Parentco Inc as Director, CEO and President (since February 2018)
FH Franchising Holdco LLC and FH Franchising Intermediateco LLC Director, CEO and President (since September 2019)
Perkins LLC Director, CEO and President (since September 2019)
KBP Foods, Inc Chief Operating Officer (August 2012 – September 2012), located in Overland Park, KS

Alison Hart Delaney – Chief Marketing Officer

HHI Chief Marketing Officer (since October 2013)
Huddle House Marketing Fund Director and President (since October 2013) and CEO (since February 2018)
Carlson Restaurants, Inc /TGI Fridays, Inc Vice President, Development Team (December 2010 - April 2013) in Carrollton, TX, and Carlson Restaurants, Inc /Pick Up Stix, Inc Vice President, Marketing (March 2006 - December 2010) in San Clemente, CA

David Krisher – Chief Financial Officer and Treasurer

HHI Chief Financial Officer and Treasurer (since August 2019), Vice President, Finance and Accounting (February 2019 – August 2019 and May 2016 – October 2018), Senior Director of Finance and Controller (September 2013 – May 2016)
Huddle House Holdings Chief Financial Officer and Treasurer (since August 2019)
Griddle Holdings Chief Financial Officer and Treasurer (since August 2019)
Huddle House Marketing Fund Chief Financial Officer and Treasurer (since August 2019)
Peachtree entities for Peachtree Intermediateco Inc and Peachtree Parentco Inc Chief Financial Officer and Treasurer (since August 2019)
FH Franchising Holdco LLC and FH Franchising Intermediateco LLC Treasurer and Chief Financial Officer (since September 2019)
Perkins LLC Treasurer and Chief Financial Officer (since September 2019)
BlueLinx Corporation Director of Financial Planning and Analysis (October 2018 – February 2019), located in Marietta, GA

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

HHI Executive Vice President (since September 2016), General Counsel and Corporate Secretary (since February 2013), and Director (since August 2019)
Huddle House Holdings Corporate Secretary (since February 2018), and Director (since August 2019)

Griddle Holdings Corporate Secretary (since February 2018), and Director (since August 2019)
Huddle House Marketing Fund Director and Corporate Secretary (since March 2013), and Director (since August 2019)
Peachtree entities for Peachtree Holdco, Peachtree Intermediateco Inc and Peachtree Parentco Inc as Secretary (since February 2018), and for Peachtree Holdco and Peachtree Intermediateco Inc as Director (since August 2019)
FH Franchising Holdco LLC and FH Franchising Intermediateco LLC Secretary (since September 2019)
Perkins LLC Director and Secretary (since September 2019)

Nathan Ballard – Chief Supply Officer

HHI Chief Supply Officer (since May 2019), Senior Vice President – Distribution (May 2012 – May 2019), Vice President – Distribution (December 2008 – May 2012), Senior Director Distribution (December 2006 – December 2008), Director of Distribution (July 2005 – December 2008)

Timothy Linderman – Chief Development Officer

HHI Chief Development Officer (since July 2019)
Global Franchise Group, LLC Chief Development Officer (January 2016 – June 2019), Vice President of Franchise Development (January 2014 – January 2016) in Atlanta, GA

Troy G Tracy – Chief Operating Officer

HHI Chief Operating Officer (since May 2019), Vice President, Operations (November 2016 – May 2019), Senior Director, Operations (May 2013 – November 2016)
Captain D's Seafood LLC (October 2012 – May 2013) in Nashville, TN

ITEM 3. LITIGATION

Pending Litigation

Lyle Stowers and Best Food Fare, LLC v Huddle House, Inc and John Morris, Civil Action No 14-C-145, Lincoln County Superior Court, West Virginia, December 29, 2014 Plaintiffs are the former franchisee, and its owners, of a Huddle House Restaurant in West Hamlin, West Virginia The franchisee opened a Huddle House restaurant in June 2013 and then, claiming financial losses, ceased operations on September 16, 2014 HHI terminated the Franchise Agreement on September 24, 2014 The plaintiffs filed this action on December 29, 2014 against HHI and John Morris, a former Director of Franchising for HHI, alleging that Morris and HHI provided the franchisee's owner with false projected revenues and opening costs for the franchised restaurant in connection with the sale of the franchise The plaintiffs' complaint includes claims for fraudulent inducement under the West Virginia Consumer Credit and Protection Act, breach of an implied covenant of good faith and fair dealing, and fraud and misrepresentation and seeks unspecified compensatory damages, statutory damages, and unspecified punitive damages On February 4, 2015, HHI and Morris filed a motion to dismissal all claims based on failure to state a claim and improper venue As of the date of disclosure, the Court has not ruled on the pending motion to dismiss Further, as of the date of this disclosure, no reply or counterclaim by the defendants is due, and HHI intends to counter claim and defend against the claims A suggestion of death of Plaintiff Lyle Stowers was filed on June 13, 2019

Huddle House, Inc v Mary Jane Enterprises, Inc , Fine Foods, LLC, Flippin Holdings, LLC, Mary Jane Robertson, and Robert Robertson, Case No 2015CV00667, Columbia County Superior Court, Georgia, filed on February 10, 2015 HHI initiated litigation in Fulton County (Georgia) Superior Court against two franchisees

of twelve Huddle House Restaurants, the franchisees' owner (Mary Jane Robertson), the owner's spouse (Robert Robertson), an entity owned by the owner's spouse, and the franchisees' director of operations (Tyler Brown) (the "**Franchisee Parties**") In the complaint, HHI sought declaratory judgments that the Franchisee Parties' development and operation of a competing restaurant concept at former Huddle House locations in Sumter, SC and in El Dorado and Newton, KS, constituted breaches of the franchise agreements and that HHI had the right to terminate those agreements, enforce the post-termination obligations, recover liquidated damages, and obtain the right to the leases, equipment, and signage at the franchisees' Huddle House locations The complaint also sought damages and injunctive relief based on the Franchisee Parties' breach of additional contractual obligations including violations of the non-competition, non-disclosure and non-solicitation covenants, misappropriation of trade secrets, tortious interference, and conspiracy, among other things On May 11, 2015, defendants Robert Robertson, Tyler Brown, and Flippin Holdings, LLC served their answer as well as motions to dismiss or transfer the case for lack of personal jurisdiction or improper venue Flippin Holdings, LLC also filed a notice to remove the case to Columbia County (Georgia) Superior Court HHI opposed each of these motions, and, in response to the notice to remove, moved to remand the case to Fulton County Superior Court On May 28, 2015, HHI received a copy of the answer and counterclaims filed by defendants Mary Jane Enterprises, Inc , Fine Food, LLC, and Mary Jane Robertson (the "MJE Parties") on May 27, 2015 The counterclaims allege breaches of the franchise agreements and the implied covenant of good faith and fair dealing, fraud and negligent misrepresentation with respect to a $17,000 expense, and/or declaratory judgment, and requested damages, attorneys' fees and litigation expenses HHI filed its reply to the counterclaim and affirmative defenses on July 1, 2015 On August 18, 2015, the Fulton County Superior Court ordered that the case be removed to Columbia County Superior Court, and on December 21, 2015, the Columbia County Superior Court denied HHI's motion to remand the case to Fulton County Superior Court and granted Tyler Brown's motion to dismiss On July 29, 2016, HHI filed an amended complaint, adding a claim for a declaratory judgment regarding its leasehold rights to the premises of the MJE Parties' former franchised Huddle House restaurant in Aiken, South Carolina Discovery in the action is currently ongoing, and no trial date has been set HHI continues to pursue vigorously its claims against the Franchisee Parties and to defend against the counterclaims filed by the MJE Parties

Franchisor Initiated Litigation during prior fiscal year

1 Huddle House, Inc v Garcia Enterprises, LLC and Glen Garcia, Superior Court of Fulton County, Georgia, Case No 2018-CV-2849048 On August 15, 2018, HHI initiated this action against the franchisee, Garcia Enterprises, LLC and its guarantor, seeking damages and injunctive relief arising from franchisee's closure and abandonment of its Huddle House restaurant prior to the expiration of the franchise term, failure to properly de-identify the restaurant, and failure to pay liquidated damages and other outstanding amounts due The defendants filed an answer and counterclaim for fraud and breach of contract, among other claims HHI filed a motion to strike the answer and counterclaim on the grounds that it was not signed by an attorney admitted to practice law in the State of Georgia The court granted the motion to strike and entered a default judgment against the defendants and in favor of HHI on all claims on February 20, 2019

2 Huddle House, Inc v Lloyd Business Holdings, LLC, Donald Lloyd and Kimberly Lloyd, Superior Court of Fulton County, Georgia, Case No 2018CV309643 On August 27, 2018, HHI initiated this action against the franchisee Lloyd Business Holdings, LLC and its guarantor seeking damages and injunctive relief arising from the franchisee's closure and abandonment of its Huddle House restaurant prior to the expiration of the franchise term, failure to properly de-identify the restaurant, and failure to pay liquidated damages and other outstanding amounts due The defendants filed an untimely answer HHI subsequently filed a motion to strike the answer and for default judgment The court granted the motion to strike and entered a default judgment against the defendants and in favor of HHI on all claims on February 8, 2019

3 Huddle House, Inc v Sarb Services, Inc and Shahid M Ali, Superior Court of Fulton County, Georgia, Case No and 2018-CV-309629 On August 27, 2018, HHI initiated this lawsuit against the franchisee, Sarb Services, Inc and its guarantor, seeking damages and injunctive relief arising from the franchisee's

closure and abandonment of its Huddle House restaurant prior to the expiration of the franchise term, failure to properly de-identify the restaurant, and failure to pay liquidated damages and other outstanding amounts due On October 1, 2018, HHI dismissed the lawsuit without prejudice and agreed to forebear on HHI's enforcement rights during the time that the franchisee promised performance When the franchisee failed to meet its contractual obligations as promised, HHI refiled nearly identical claims on November 5, 2018, in an identically styled lawsuit in the same court with Case Number 2018-CV-312649 The parties settled their dispute and dismissed the lawsuit with prejudice on March 12, 2019, prior to the defendants filing any responsive pleadings

4 Huddle House, Inc v South Bend Holdings, LLC and Shannon Sullivan, Superior Court of Fulton County, Georgia, Case No 2018-CV-312352 On October 30, 2018, HHI initiated this action against the franchisee, South Bend Holdings, LLC and its guarantor, seeking damages and injunctive relief arising from the franchisee's closure and abandonment of two Huddle House restaurants prior to the expiration of the franchise terms, failure to properly de-identify the restaurants, and failure to pay liquidated damages and other outstanding amounts due The defendants failed to file an answer or make any appearance in the matter, and a default judgment was issued against the defendants and in favor of HHI on all claims on March 27, 2019

5 Huddle House, Inc v Exit 40 Properties, LLC, James M Daniel, Jr , and James M Daniel III, Superior Court of Fulton County, Georgia, Case No 2019-CV-322608 On June 18, 2019, HHI initiated this action against franchisee, Exit 40 Properties, LLC and its guarantors, seeking injunctive relief and damages arising from Exit 40's failure to cease operating its Huddle House restaurant after expiration of the franchise term

6 Huddle House, Inc v DTAHH, LLC, Tiffany Dharia, Dipen Desai, ANNJHH, LLC, ANHHNJ, Inc , Superior Court of Fulton County, Georgia, Case No 2019-CV-323253 On July 1, 2019, HHI initiated this action against franchisee, DTAHH and its guarantors, seeking damages arising from DTAHH's closure and abandonment of two Huddle House restaurants prior to expiration of the franchise terms The complaint seeks recovery of liquidated damages under the franchise agreements and past-due amounts under a promissory note, in addition to attorneys' fees

Completed Litigation

1 In the Matter of Arbitration between Gregory S Vojnovic v Huddle House, Inc , Griddle Holdings, Inc , Allied Capital Corp , Philip Greifeld, Claudia K Levitas, and HH Holdings, Inc JAMS Case # 011609A On May 31, 2007, HHI terminated Vojnovic's employment Vojnovic filed this arbitration against the parties alleging breach of contract for wages and bonus, breach of implied covenant of good faith and fair dealing, and fraud The demand for arbitration was filed before JAMS in Atlanta, Georgia on December 22, 2008 The arbitration was held on August 18 and 19, 2009 On August 31, 2009, the arbitration award provided that Vojnovic owed HHI $9,218 57 for repayment of an unearned bonus and HHI owed Vojnovic $20,000 for the value of his stock options

2 Huddle House, Inc v NEK Restaurant Holdings, Nnamdi Aniedobe, individually, and Nkolika Aniedobe, individually, State Court of Fulton County, Georgia, Case No 12-EV-014745D HHI filed claims for breach of contract and unjust enrichment on April 5, 2012, and amended its claims to include negligence Defendants counterclaimed for breach of contract, implied covenant of good faith and fair dealing and fraud, and subsequently amended Each party sought attorneys' fees, costs and expenses, compensatory and punitive damages Defendants agreed to pay HHI $65,000 to settle all claims in May 2013 and claims were dismissed on June 4, 2013

3 K&J Enterprises, LLC v Larry Haynes Management, Inc et al, Case No CV-2010-900318, Circuit Court of Talladega County, Alabama Former franchisee filed suit against the party from whom it purchased the

franchise, Larry Haynes Management, Inc , as well as parties who operated the franchise at the same location after HHI terminated plaintiff's franchise Plaintiff added HHI to the litigation via an amended complaint on January 11, 2012, alleging claims for wrongful eviction, breach of contract, conversion, unjust enrichment, tortious interference with business relationship and breach of covenant of quiet enjoyment HHI terminated the plaintiff's franchise after it failed to fulfill its obligations under the franchise agreement HHI answered the complaint and asserted a counterclaim for liquidated damages Plaintiff's claims were dismissed on September 17, 2012 on the grounds of improper venue

4 Huddle House, Inc v R D A L Inc and Ashley Lee, Case No 2013CV231827, Fulton County Superior Court, Georgia, filed on May 28, 2013 HHI initiated litigation against a franchisee of four Huddle House Units, and the franchisee's owner under the personal guarantee In the complaint, HHI sought damages, termination of the franchise agreements, and injunctive relief based on the franchisee's failure to pay royalties, marketing fees and other monies payable to HHI and other defaults under the franchise agreements In July, HHI terminated the Franchise Agreements due to the ongoing defaults and additional defaults by the defendants, which include the defendants taking actions towards establishing and operating a restaurant business that would violate the defendants' various covenants not to compete Following the defendants' refusal to cease operations upon termination, HHI filed an amended complaint seeking monetary damages and injunctive relief to enforce the post-termination obligations of the Franchise Agreements On July 29, 2013, the defendants filed an answer to the complaint and asserted a counterclaim alleging breach of the franchise agreements and seeking attorneys' fees and litigation expenses On August 6, 2013, the court issued a ruling granting HHI's request for temporary restraining order, part of which required the defendants to immediately cease operating the four Huddle House Units, de-identify those locations, and cease taking actions to operate a competing restaurant On September 16, 2013, the court assessed various civil and criminal contempt penalties against defendants for their failure to comply with temporary restraining order On January 16, 2015, Final Judgment and Order by Consent was entered in HHI's favor and against Defendants, jointly and severally, in the amount of $208,057 25 All of Defendants' counterclaims were dismissed with prejudice as a part of the Final Judgment

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

ITEM 4. BANKRUPTCY

There is no bankruptcy information required to be disclosed in this Item

ITEM 5. INITIAL FEES

Franchise Agreement - Initial Franchise Fees

The initial franchise fee for a fifteen-year Standard Unit Franchise (the "**Initial Franchise Fee**") is $35,000 for a new franchisee, unless either (a) you qualify for the veteran's discount under HHI's current Patriot Program, which is described below in this Item 5 under the heading "Incentive Programs," or (b) you are an existing franchisee purchasing an additional unit, as described below

Existing Franchisee discount – HHI also wants to encourage its existing franchisees in good standing to develop additional New Development Units To do so, HHI's current policy is that it will reduce the initial franchise fee to $25,000 for franchisees who are in good standing, with at least one Unit open and in operation for at least 12 months, and who enter into additional Franchise Agreements with HHI To qualify for this discount, the additional franchises must be purchased by the same individual (or business entity, if applicable), who signed the existing franchise agreement with HHI We may discontinue or alter this policy in the future

The entire Initial Franchise Fee is payable when you sign the Franchise Agreement The Initial Franchise Fees are uniformly applied in the manner described above to all franchisees that are purchasing new franchises During HHI's most recent fiscal year (May 2, 2018 to April 30, 2019), however, for some transactions that involved a variety of factors, including the reopening of a closed Unit, development of multiple New Development Units and incentives for accelerated growth and development of New Units, the Initial Franchise Fee was reduced to fees ranging from $1 up to the standard fees that applied during our prior fiscal year

For the Franchises of Resale Units, the Initial Franchise Fee may vary depending on the length of lease term available The range of Initial Franchise Fees paid for a Resale Unit in HHI's most recent fiscal year was between $8,750 and $30,000 The lower fees were adjusted based on a shorter term of Franchise Agreement (which was shortened to correspond with the remaining term of the premises leases) and based on the transfer terms of the existing franchise agreement

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

You must also pay a training fee to HHI in connection with the initial training program that HHI provides The training fee is currently $5,990, although HHI may change this fee in the future The training fee is payable before you begin construction of your Huddle House Restaurant

Market Development Agreement – Development Fees

If you enter into HHI's standard form of Market Development Agreement, you can develop an agreed upon number of Franchises within a Development Area according to a Development Schedule If you enter into a Market Development Agreement, you must pay us a development fee equal to the total of (a) $35,000 for the first New Development Unit to be developed and (b) $17,500 for all other New Development Units that you must develop under the Development Schedule (collectively, the "**Development Fees**") The Development Fee is separate from the Initial Franchise Fees that will be due under the Franchise Agreement for each Unit The Initial Franchise Fee for each unit will be determined at the time the Franchise Agreement is executed and will be based on HHI's then-current fees for new franchises If you remain in full compliance with the Development Schedule, and you are not otherwise in default under any provisions of the Development Agreement, or any other Franchise Agreement, at the time you and HHI sign a Franchise Agreement for a Unit under the Development Schedule,

HHI will credit toward the Initial Franchise Fee the portion of the Development Fee that you paid for that Unit (based on our standard Development Fees, the credit will be $35,000 for the first Unit and $17,500 for each additional Unit included in the Development Schedule)

The length of the term of the Market Development Agreement (the "**Term**") is determined based on the Development Schedule that you and HHI agree upon (the Development Schedule will vary based on a variety of factors including the number of New Development Units that you must develop and operate) The Development Fee per Franchise to be paid under a Market Development Agreement will be uniformly applied to all new franchisees During our most recent fiscal year, HHI did not collect Development Fees different from the standard Development under the Market Development Agreement in effect during that time

Additionally, HHI may offer developers the opportunity to purchase an extension of the Term (a "**Term Extension**") beyond the last date of the Development Schedule so that the territorial rights granted to the developer under the Development Agreement would continue for an agreed upon period after the developer completes the Development Schedule (so long as the developer continues to comply with its obligations) The fee to increase the Term (the "**Term Extension Fee**") is calculated as $5,000 per additional year added to the Term (with each additional year measured as twelve months from the last date of the Development Schedule) multiplied by the number of New Development Units that you must develop and operate to satisfy the Development Schedule If you wish to extend the Term and HHI agrees to a Term Extension, you may do so either (a) when you sign the Market Development Agreement with HHI, or (b) during the Term but you must give HHI notice of your request to extend the term at least six months before the end of the Term and you must be in full compliance with the Market Development Agreement and any other agreements with HHI You must pay the Term Extension Fee at the time you and HHI agree to an extension of the Term beyond the end of the Development Schedule

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

Other Fees and Pre-Opening Payments

You must also pay to HHI a security deposit in connection with your purchases of products from HHI, which will range from $7,500 to $15,000 depending on your credit history, and may be adjusted by HHI from time to time This deposit is payable before you begin construction of your Huddle House Restaurant

If you will lease the premises of your Huddle House Restaurants from HHI, you will be required to pay to HHI an additional security deposit equal to one month's rent applicable in the first year, which ranges from $1,500 to $7,500 This deposit is payable before you begin construction of your Huddle House Restaurant (Together these security deposit payments to HHI are referred to in this Disclosure Document as the "**Security Deposit**")

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

As described in **Item 8**, you may purchase or lease some of the inventory, smallwares and some small furnishings needed to open your Huddle House Restaurant from HHI During HHI's last year, the range of these purchases by a franchisee was approximately $35,000 to $50,000

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

Incentive Programs

Referral Program

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

Existing Franchisee Referral Program

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

Huddle House Patriot Program

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

HHI's VetFran program incentive is called the Huddle House Patriot Program (the "**Patriot Program**") HHI's Patriot Program incentive provides a 25% reduction in the Initial Franchise Fee due under HHI's single unit Franchise Agreement for New Development Units only This Incentive may not be combined with any other Incentive program and applies only to the first New Development Unit To qualify, a prospective franchisee must request the Patriot Program at the time of application, must meet HHI's then-current qualifications for new franchisees, the franchise must be at least 51% legally and beneficially owned by persons meeting HHI's qualifying veteran status, the prospective franchisee may not have previously received a Veterans Incentive or Patriot Program incentive from HHI HHI may discontinue this Patriot Program at any time

ITEM 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty[1 3]	4 75% of the Net Sales	Every Week HHI may require that you make payments by electronic fund transfer ("**EFT**")	Net Sales includes the full price of all merchandise and services (including Catering and delivery) sold, and all other receipts
Contribution to Advertising Fund	3 0% of the Net Sales	Every week to HHI or its designee HHI may require that you make payments by EFT	This amount may increase to an amount not to exceed 4% of Net Sales, although it will not increase more than 1% in any given year
Local Advertising Requirement	0 5% of the Net Sales	On demand	Every quarter, you must spend a minimum of 0 5% of the Net Sales on qualified local advertising and marketing activities (the "**Local Advertising Requirement**"), and must submit (by the 10th day of the following quarter) receipts and other reports that HHI may reasonably request to evidence your expenditure In lieu of having you spend the monies directly to satisfy the Local Advertising Requirement, HHI has the right upon notice to you to require that you (and other franchisees) contribute the same amounts to the Advertising Fund Additionally, if you do not fully comply with the advertising requirement, then we may require that you contribute the Local Advertising Requirement monies to the Fund (without any requirement to have other franchisees do the same) or to a designated account and we will then either spend the monies on your behalf, or require that you satisfy your Local Advertising Requirements and then (once you provide documentation of your compliance) return to you the Local Advertising Requirement monies that you submitted to the Fund (or other designated account) for that same period

Name of Fee	Amount	Due Date	Remarks
Transfer	Varies - 25% of HHI's then-current Initial Franchise Fee, or $2,000, or no fee	Upon transfer	25% of then-current Initial Franchise Fee applies if you sell your Franchise or engage in a transfer involving more than 51% ownership interests $2,000 fee applies if you transfer to your majority-owned corporation or an immediate family member There will be no fee if you transfer to an entity owned solely by you, during the first year after signing the Franchise Agreement
Interest on Rent	5% per month on overdue amount	Monthly	Payable if you are more than 15 days late on payment of any rent owed to HHI
Interest on Payments (other than rent)	Lesser of 18% (per annum) per annum or maximum legal rate	Monthly	Payable if you are more than 5 days late paying any amount owed to HHI (other than rent)
Management	8% of the Net Sales	Weekly	Payable while HHI manages your Franchise due to your death or incapacity
Liquidated Damages -- Employee	$40,000	On demand	Payable if you employ an HHI employee contrary to the terms of the Franchise Agreement
Liquidated Damages -- Breach and Termination	$145,000 or three years of estimated royalties (see Remarks), whichever is greater	On demand	Payable if you breach your Franchise Agreement and it is terminated by HHI HHI will calculate any estimated royalties based on the average of your weekly royalties due during the preceding two years, or such shorter period as you have been operating
Food and Supplies	$1,000-$18,000 Fee, in an amount up to $500, to reinstate supply services	Every two weeks On demand	Payable if you buy food and/or supplies from HHI Payable if HHI discontinues supplying food and supplies to you because you were delinquent on payments, and you wish to resume buying items from HHI (you must also pay all past due amounts) Additionally, HHI may require prepayment for your purchases if you are not in compliance with your obligations under the Franchise Agreement
Music Delivery System	Currently $25 - $39/month	Monthly, or as provider requires	Payable to the designated supplier for music delivery systems

Name of Fee	Amount	Due Date	Remarks
Fees relating to computer system, software, and technology services	Will vary If HHI provides computer or communications equipment, software or assistance or related services, HHI may charge reasonable fees for these services At this time, you will obtain these services directly from third parties, other than POS polling helpdesk	Upon demand	See Note 4 and Item 11 under the heading "Computer System " At this time, HHI provides helpdesk services in connection with polling of POS Systems The fee to HHI is currently $25 per month HHI has designated third-party suppliers to provide for certain services relating to the Computer System and related technology services (and may elect to have all services provided through third-party suppliers) You must pay the fees specified by the designated suppliers
Central Billing Fee	Will vary But not currently in effect	Upon demand	In connection with program and services that we designate as generally required for Huddle House Restaurants (for example, gift card program, customer loyalty programs, and online ordering services), HHI may centrally collect from franchisees the fees due to the suppliers If HHI does so, it may charge a reasonable fee (not exceed 10% of the amounts due to the supplier) for its central billing and payment functions
Non-Participation/Non-Reporting Fee	$100 for 1st month, $200 for 2nd month, $300 for 3rd and each subsequent month	Upon demand	If you do not participate in, or comply with, any program or standard that HHI designates for the System, then HHI may assess these fees for each month that you are not in compliance with the System requirement This fee is in addition to HHI's other rights relating to your default (except that for defaults relating to missing reports, HHI will assess either this fee or the delinquent report fee described below and both fees will not apply to the same missing or delinquent report)
Delinquent Report	$10	When report is submitted	Payable if you do not deliver any report to HHI when due
Audit	Interest at 12% or highest rate allowed by law if higher	Upon request	Payable if an audit of your books shows an understatement of your Net Sales that is 1 5% or more
Renewal	25% of then-current Initial Franchise Fee	Before first day of renewal term	Must be paid for each renewal

Name of Fee	Amount	Due Date	Remarks
HHI Performance	Reimbursement of amount plus 12% interest (or highest rate allowed by law if to pay creditors)	Promptly after payment by HHI (with next royalty fee payment if for insurance)	Payable if you fail to perform maintenance obligations, pay creditors or procure insurance and HHI does so for you
Additional or Refresher Training and Orientation	Will vary	Prior to attending training	In addition to the initial training program, we may impose a fee for training any new or replacement managers Also, if we require you, your manager or employees to attend additional or refresher training or orientation programs, we may charge a fee for those programs
Extension of Opening Deadline or Deadline in Development Schedule[2]	$5,000 per month that the deadline is extended	Before extension of deadline	Payable if HHI grants you an extension of your Opening Deadline under a Franchise Agreement or a deadline under the Development Schedule for any particular Restaurant This is separate from an extension of the Term of the Development Agreement beyond completion of the Development Schedule
Extension of Term of Development Agreement	Varies - $5,000 per additional year, per Unit in Development Schedule	At time you and HHI agree to an extension	Applies only if you request to extend the Term of the Development Agreement beyond the end of the Development Schedule (See Item 5 under "Market Development Fees) This is not an option to extend, nor does it extend, any deadline in the Development Schedule
Addition to Security Deposit	$7,500-$10,000	Upon demand	HHI may require this payment if you are delinquent on payment obligations one or more times (see **Item 7** under "Security Deposit" for additional information)
Fee for Closing During any Required Hours of Operation	$1,000 per day that the Huddle House Restaurant is not open during all required hours of operation	Upon demand	If you do not keep your Huddle House Restaurant open and in normal operation during all hours that we require each day, you must pay us this daily fee
Rejected Payment Fee	Our then-current rejected payment fee (currently $100 per occurrence)	Upon demand	If a payment to HHI is rejected (for insufficient funds or other reasons), you must pay HHI its then-current rejected payment fee (which may include amount to reimburse HHI for all costs associated with the rejected payment)

Name of Fee	Amount	Due Date	Remarks
Lease Review	Up to $2,500	Upon demand	HHI may require that your proposed lease for the Unit by reviewed by an attorney that HHI designates The review may include a review of the general business and financial terms of the proposed lease as well for inclusion of terms required by HHI If requested, you will pay this fee either to HHI or the designated provider for the review services
Fees for Financial Report	$12 50 per month for program service fee, and $10 fee if fail to submit report	Monthly for program service fee and upon demand for missing report fee	HHI requires Huddle House Units to use a web-based application for reporting profit and loss and related financial information to us through a designated vendor (currently PLAT by iLumen) The service fee for this program and fees for failing to submit reports (if applicable) are payable to HHI
Fee for Non-attendance at Conferences	$2,500	At the same time as your Royalty for the week immediately following the missed mandatory conference	HHI may conduct an annual or periodic system wide or regional conferences, seminars or meetings ("Conferences") for operators of Huddle House Units and may require that you attend the Conferences If you fail to attend a mandatory Conference and have not obtained HHI's prior written waiver of your attendance, you must pay the non-attendance fee
Unit Hours Modification Fee	Varies – up to 7 75% of the Base Amount, which will be determined as the Unit's Net Sales during the immediately preceding 52-week for the hours being modified	Currently monthly, but not more often than weekly	You must keep your Franchise open and in normal operation during all mandatory hours of operation HHI has the right to modify the mandatory hours of operation, including to require a 24 hour, 7 days a week, schedule At this time, the mandatory hours are all hours of each day except 12 00 a m (midnight) until 6 00 a m , Monday through Friday By way of clarification, the Unit must be open and in normal operation from Friday 6 00 a m until Monday 12 00 a m , which is Sunday, midnight In some circumstances, HHI may allow existing franchisees (or their transferees), to modify their Unit hours for agreed upon periods if certain conditions are met These conditions may include payment of the Unit Hours Modification Fee, remaining in compliance with the Franchise Agreement, removal of any 24-hour signage or marketing materials, and signing an amendment to the Franchise Agreement in the form that HHI provides

Name of Fee	Amount	Due Date	Remarks
Customer Feedback Program	Will vary Includes a monthly fee (which HHI currently pays), and (if any) additional visits conducted due to low survey scores (currently $95 per additional visit)	Monthly for standard monthly fee, and upon demand for additional inspections (if required)	See Note 5 and Item 11 under the heading "Computer System "

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

NOTES.

1 "**Net Sales**" is defined in Section 5(e) of the Franchise Agreement and you should refer to the Franchise Agreement for a complete understanding of what is included Additionally, if HHI specifies, you must make all payments for royalties and advertising contributions by EFT, unless otherwise directed or approved by HHI To establish an EFT arrangement for these payments, you must sign our current "Authorization Agreement for Prearranged Payments (Direct Debits)" form in favor of HHI ~~(a copy of our standard form is Exhibit D to the Franchise Agreement)~~

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

3 Unless otherwise specified, all of the amounts described above are collected by and payable to HHI and are nonrefundable All fees currently are uniformly imposed

4 HHI requires that you install and use computer and technology systems (which are described in Item 11 under the subheading "Computer Systems"), which include a cash register/point-of-sale computer system/online ordering system, firewall and related security systems, back-office management programs, integrated accounting and financial software, and inventory management and other computer software programs and hardware that HHI specifies In connection with the Computer System, you will have to enter into appropriate agreements and pay the approved or designated suppliers (which may include HHI or its affiliates) initial and ongoing fees (which may include activation fees, per-user fees, set-up fees, and support fees) in order to install and continue to use (and maintain and upgrade) the Computer System See Item 11 under "Computer System" for more information As this time, HHI (or any affiliate) is not a supplier of these services other than certain support services for POS System polling

5 You must participate in the customer feedback program that HHI designates from time to time HHI currently incurs the monthly overhead fee for the program, but may require franchisees to pay the monthly charges for their Franchised Restaurants This fee is currently approximately $30 00 per month per restaurant, but may increase in the future You will also be responsible for the cost of the survey receipt offer, which is currently a free menu item, but this may change and the fee may vary and will be determined

by HHI in its sole right and discretion Additionally, if your Franchised Restaurant does not receive a satisfactory score, then for each additional survey visit conducted to reevaluate the Franchised Restaurant's performance, you must pay the fee (which is currently $95) for each additional site-visit

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$ 25,000	$ 35,000	One Payment	When you Execute the Franchise Agreement	HHI
Training Fee and Travel and Living Expenses While Training[2]	17,500	34,500	As Arranged	Training fee ($5,990) before construction start, remainder before opening	HHI (for training fee), Suppliers, Transportation, Food and Lodging
Real Estate – Rent for First 3 months[3]	13,500	24,000	As Arranged	As Arranged	Third-party Landlord
Improvements[4]	160,000	723,000	Progress Payments	As Arranged	Contractors
Equipment[5] and Seating	170,000	265,000	Financed or As Incurred	As Arranged	Vendors or HHI
Signs and Décor[6]	20,000	75,000	As Arranged	As Arranged	Vendors
Site ~~Plan/~~Engineering ~~Drawings~~/ Civil Plans	8,000	18,000	As Arranged	As Arranged	Vendors
Architectural MEP Drawings	7,500 (reopen)	17,500 (ground-up)	As Arranged	As Arranged	Vendors
Travel Expenses for Opening Guide Meeting[7]	0	750	As Arranged	Before Opening	Suppliers of Transportation, Food and Lodging
Smallwares, Opening Inventory and Uniforms	41,000	54,000	As Arranged	Before Opening	Vendors or HHI
POS System[8]	15,500	25,000	Lump Sum	Before Opening	Vendors

Expenditures	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Help Desk and Maintenance (first 3 months)[9]	735	825	Monthly	Before Opening and Monthly thereafter	Vendors
Computer Related Security Services[10]	1,200	2,000	Annually	Before Opening and Annually thereafter	Vendors
Grand Opening Promotion	3,000	5,000	As Incurred	As Arranged	Vendors
Miscellaneous[11] Opening Costs	4,000	6,000	Lump Sum	Before Opening	Vendors, HHI, Governmental Authorities, Utilities
Security Deposit[12]	7,500	15,000	One payment	At construction start	HHI
Additional Funds- 3 Months[13]	17,500	27,500	As Incurred	As Incurred	Employees and Vendors
Totals[14] [15]	**$~~504,435~~**511,935	**$1,~~310,575~~**328,075			

The table above applies to the total initial investment when you own or lease your land and building, and purchase or lease your signs, equipment and improvements, using personal and/or borrowed funds

Notes·

1 See **Item 5** for additional details regarding the Initial Franchise Fee, including how it is determined for a Resale Unit The low amount applies only to existing franchisees purchasing an additional unit

2 You must pay HHI a training fee for initial training, which is currently $5,990 Additionally, you will be responsible for all expenses relating to you and your personnel attending training, such as travel, room, board and wages

3 If you do not own a location for your Unit, you must purchase or lease a space Typical New Development Units using our current format range in size from 2,000 to 3,100 square feet Free standing restaurants will require from 0 6 to 1 5 acres of land for the Restaurant and adequate parking facilities The figures in the chart above are estimates to lease the location for the first three months of operation You will need to lease the space in advance of your opening, however, you may attempt to negotiate an abatement from the landlord for periods before your opening date Rents may vary beyond this range based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the Unit, the terms of the lease, and the desirability of the location Due to variations in the market conditions for commercial property from region to region, we are unable to provide an estimate of the cost of purchasing real estate for the Franchise If you decide to purchase the land, the cost and outlay needed to do so will be considerably higher

4 You will need to construct improvements of, or "build out," the premises at which you will operate the Unit The figures in the chart are for the build out of either a newly constructed building or improvements to an existing premises These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and decor items which must be constructed according to HHI's

specifications Costs are likely to vary depending upon various factors, including the size, location, configuration, installation costs, and overall condition of an existing premises, general contractor rates and the availability and cost of labor and materials, and the work that the lessor will do as a result of the lease negotiations Costs may be much higher if you already have or wish to establish your Franchise in an area where special requirements of any kind (e g, historical, architectural, or preservation requirements) will apply You may negotiate for a tenant improvement allowance from the landlord covering a portion of the costs of constructing the leasehold improvements If you are able to obtain from the property owner or lessor a leasehold allowance, or a lease payment abatement, those allowances or benefits should reduce your overall out-of-pocket costs to acquire, build out, and lease space but such allowance is not included in our estimates These situations are site-specific and HHI cannot determine exact costs, a franchisee should evaluate those potential costs for any specific site that might be considered

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

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

6 The low figure is for a standard sign package The high figure assumes that you will need a standard sign package for the building and a high-rise road sign (including, where applicable, a standard highway sign) Specific circumstances may cause costs to be different

7 Once HHI has accepted a location for your New Development Unit and before beginning your site design, you will travel to HHI's support center for a one day meeting to review the New Restaurant Opening Guide and complete initial project timelines and checklists with HHI's construction and design department and operations team HHI does not charge a fee for this day, but you will be responsible for any travel or related costs that you incur, which are estimated between $0 and $750 (for flight and hotel) depending on travel distance to HHI's support center

8 HHI has implemented a point-of-sale system (the "**POS System**") that you must purchase before opening your Franchise according to HHI's specifications and criteria HHI is not currently a supplier of the POS System, but HHI may choose to become a supplier in the future (but is not required to do so) The estimated initial investment includes the estimated cost of purchasing all elements of the POS System, as currently configured, which requires the use of three POS terminals You will incur certain costs and expenses to purchase revised or upgraded components or services, or replacement systems, when specified by HHI

9 There are ongoing fees for hardware and software maintenance and a "help desk " Based on the current system, HHI estimates that the monthly fees for software maintenance service and a "help desk" will cost approximately $245 - $275 for a POS System This expense covers monthly services for assistance in operating and maintaining the POS System HHI is not currently a provider of "help desk" and maintenance services, but HHI may choose to become a supplier in the future (but is not required to do so) HHI rolled out a new web-based food and labor cost control system in 2018 All Units are required to implement this new software tool and, although it is difficult to estimate the exact cost of subscription to franchisees, HHI anticipates that it will cost you approximately $100 to $200 per month, per Unit, which includes the second level of support

10 The use of broadband communications requires security features and services (such as antivirus, antispam, firewall, and intrusion detection) Costs for these services and timing of payments will be as

you determine with service providers, however, HHI estimates approximately $1,200 - $2,000 per year HHI may choose to become a supplier of some security services and features You must also be PCI compliant "**PCI**" means the Payment Card Industry Data Security Standards, which are a set of requirements designed to ensure that all companies that process, store, or transmit credit card information maintain a secure environment The PCI Data Security Standards are administered and managed by the Payment Card Industry Security Standards Council (www pcisecuritystandards org), an independent body that was created by the major payment card brands (Visa, MasterCard, American Express, Discover and JCB), however, the PCI council is not responsible for enforcing compliance PCI compliance costs will accrue during the term of your Franchise, as arranged with service providers HHI estimates that costs for PCI compliance should not exceed $3,500 annually

11 Includes business license fees, cash register money, first month's insurance deposit and tax escrow deposit, and utility deposits This does not include a security deposit that you will pay to HHI (see Item 5 and note 12 below for details)

12 You must also pay to HHI a security deposit The amount may vary taking into account your credit history, and HHI may adjust the required amount from time to time This deposit is payable before you begin construction of your Huddle House Restaurant

13 This estimates your initial start-up expenses, including payroll These figures are estimates and are based on HHI's experience with respect to franchised and company-owned Huddle House Restaurants HHI cannot guarantee that you will not have additional start-up expenses Your costs will vary depending on factors such as how well you follow HHI's methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for your products and services, the prevailing wage rate, competition, and the sales level of your Franchise during the initial period If you finance any acquisition or operational aspect of your Franchise you will incur application fees, loan fees, closing costs and other related financing costs

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

15 If you signed a Market Development Agreement, you must pay HHI a Development Fee that is equal to the total of (i) $35,000 for the first Huddle House Restaurant to be developed under the Development Schedule and (ii) $17,500 for each additional Huddle House Restaurant that you must development under the Development Schedule (as described in Item 5, the Development Fee is separate from the Initial Franchise Fees that will be due for each Unit, and the amount of the Initial Franchise Fee for each unit will be HHI's then-current fees for new franchises) If you are in compliance with your obligations under the Development Agreement (and other agreements with HHI), when you sign the Franchise Agreement for each Huddle House Restaurant in compliance with the Development Schedule, HHI will credit the portion of the Development Fee that you paid for that Huddle House Restaurant toward the Initial Franchise Fee due for that Franchise Agreement

* * *

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

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

Construction or Renovation of the Franchise Premises

For any New Development Unit, the building for the operation of your Franchise, and the related parking lot, must be constructed in accordance with HHI's accepted site layout and plan, parking lot lighting specifications, and exterior sign specifications These specifications will be provided to you in writing before you begin construction of your Franchise For any Resale Unit, if you undertake renovations or remodeling of the building or parking lot, your alterations must be made in accordance with HHI's standards and specifications HHI's specifications are not intended to contain, address or comply with the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations for persons with disabilities

For a New Development Unit, you must prepare and submit to HHI preliminary and final plans and specifications to suit the shape and dimensions of the site As part of this process, you must engage a licensed architect that HHI has designated or approved in writing as a preferred architect to prepare initial concept designs for your Unit For further designs and plans, including construction drawings and final plans, you may use other qualified and licensed architects For any construction or renovation or remodeling to a Franchise, you will be solely responsible for ensuring that the plans and specifications comply with the ADA and all other applicable regulations, ordinances, building codes and permit requirements and with lease or sublease requirements and restrictions, if any HHI's review is not designed to assess potential for success or compliance with federal, state or local laws and regulations and is limited to review of such plans to assess compliance with HHI's standards for Franchises, including such items as trade dress, presentation of Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Franchises Additionally, prior to opening a New Development Unit (and upon renovating any Franchise after the initial opening), you must sign and deliver to HHI an ADA Certification, in the form attached to the Franchise Agreement, certifying to HHI that the Franchise and any proposed renovations comply with the ADA

Purchases

You must purchase or lease all fixtures, furnishings, signs, equipment, decor, computer systems inventory, uniforms, advertising materials, operational and support services and other supplies, products and materials required for the operation of your Franchise Such items and designated services (such as music delivery services, help desk services, online ordering services, gift card and loyalty program services), must meet HHI's standards and specifications, and may be purchased or leased only from suppliers (the term "suppliers" refers to manufacturers, vendors, distributors, and other sources of supply) that have been approved by HHI HHI may be an approved supplier, or the only approved supplier, of any such items Additionally, as described below under "Leases," for Franchises for Resale Units, some items will be leased from HHI HHI's Confidential Operations Manual, consisting of, but not limited to (the "**Operations Manual**") operational instructions, standards and specifications, and a list of approved suppliers, are provided to you in Manager in Training Manual, Cook's Training Guide, Server Training Guide, Recipe Binder, HHI's Food Purchasing Manual or otherwise in writing (these are collectively referred to as the "**Manuals**" or "**Confidential Manuals**") At the present time, HHI is an approved supplier of food products (other than produce, shell eggs and some dairy products and bread items, although HHI may be an approved supplier of these items in the future), equipment and smallwares, and the sole approved supplier of some logoed products and proprietary food products for the Huddle House System Modifications to HHI's standards and specifications, and list of approved suppliers, will be provided to you by updates to the Manuals or otherwise in writing You must not purchase, install or use on the premises, without

HHI's prior written consent, any fixtures, furnishings, equipment, decor, supplies, signs, food, or materials not previously approved as meeting HHI's standards and specifications

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

For items or services for which HHI is an approved supplier, HHI may establish the purchase and payment terms If you do not satisfy all payment requirements for purchases ~~form~~from HHI, HHI may discontinue further sales to you, and if HHI will resume sales to you, it may require you to pay a reinstatement fee before making further sales Additionally, HHI may require that you pre-pay for purchases from HHI if you are not in full compliance with the Franchise Agreement or any other agreements with HHI

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

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

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

Marketing and Promotion

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

In addition, you must purchase and maintain a "DOT" road sign during all times when it is available (if the available meets HHI's standards) HHI may also require that you advertise on other billboard signage All road signage and billboards must comply with HHI's then-current standards and specifications See Item 11 under "Local Advertising" for additional information

Insurance

You must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting HHI, HHI's lenders (where appropriate), and HHI's respective officers, directors, partners, agents, and employees The policies must include the types of insurance that are specified in the Operations Manual, the Franchise Agreement or otherwise in writing and provide protection against any demand or claim relating to personal injury, death, or property damage, employment practices liability, or any loss, liability or expense arising from the operation of your Franchise All policies must be written by a responsible carrier or carriers which HHI determines to be acceptable, must name HHI and HHI's affiliates as an additional insured, and must provide at least the types and minimum amounts of coverage specified in the Operations Manual or otherwise in writing from time to time

Leases

If you will operate a Franchise for a New Development Unit at premises under a lease (other than for Resale Units), you must, before executing the lease, submit the lease to HHI for HHI's review and written acceptance to ensure the lease contains the required terms contained in the Franchise Agreement HHI's acceptance of the lease agreement or sublease is an indication only that the agreement meets HHI's criteria for leases ~~HHI's acceptance of a lease or sublease does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the lease for your success or for any other purpose~~

With respect to Resale Units, HHI already owns or leases the premises, equipment and signs and will enter into a lease or sublease with you for these assets before you open the Franchise The form of Lease Agreement that HHI uses is included as **Exhibit A-9** to this Disclosure Document You will be responsible for obtaining all operating permits at least 10 days before you open for business

Music Delivery System and Vending Machines

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

You may not place any coin operated machine on the premises of your Franchise You may not place any ATM, cigarette, vending, crane game, electronic, or other machine without our approval and subject to our conditions, which can be revoked at any time and require immediate removal of the machines

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

Fixtures, Furnishings and Equipment

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

* * *

As explained above, HHI is an approved supplier of many items required for the operation of your Franchise, including food, restaurant supplies, equipment, smallwares, uniforms, and cleaning supplies In HHI's most recent fiscal year (May 2, 2018 to April 30, 2019), HHI had total revenues of approximately $106,234,000, and approximately $67,057,000 (63 1%) of such revenues was derived from the sale of products by HHI to its franchisees

HHI estimates that the cost of items to be purchased in accordance with its specifications and from approved suppliers will represent 75 to 80% of your total purchases in establishing your Franchise, and that purchases of these items will represent 85 to 90% of your overall purchases in operating your Franchise

HHI reserves the right to receive rebates or similar payments from thirty-party suppliers based on the franchisees' purchase directly from these suppliers (that is, not through HHI), and has done so in the past These rebates from third-party suppliers range from approximately 1% to 10%, calculated based on the amount of the franchisees' purchases from these suppliers During the last fiscal year, the total amount of rebates that we received from third-party suppliers based on franchisees' purchases from them were approximately $~~3283~~3,57,000 In addition, as discussed above, HHI is an approved supplier (and in some cases, the only approved supplier) of many items for the franchisees To the extent that HHI purchases these items from third-party suppliers, they may also offer incentives or volume discounts directly to HHI based on HHI's purchases from them

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

Other than interests in HHI, none of our officers or directors has an interest in any approved supplier

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section In Agreement	Disclosure Document Item
a Site selection and acquisition/lease	§§ 2(a) and 7(a) of Franchise Agreement ("**F/A**") and Site Selection Addendum, §5 of the Market Development Agreement ("**D/A**")	Items 6 and 11
b Pre-opening purchases/leases	§§7 and 16(a) of the F/A	Items 5, 7 and 8
c Site development and other pre-opening requirements	§§7 and 16(a) of the F/A, §5 of the D/A	Items 6, 7, 8 and 11
d Initial and ongoing training	§7(i) of the F/A, §6 of the D/A	Items 6, 7 and 11
e Opening	§§7(d) and 7(f) of the F/A, §5 of the D/A	Items 7 and 11
f Fees	§§5, 7(d), 7(e), 7(i), 7(k), 7(u), 7(z), 7(aa), 8(b), 13(d), 13(f), 13(h), and 16(a) of the F/A, §§3, 2(b), and 7 and 13 of the D/A, Equipment Lease, Hours of Operation Amendment	Items 5, 6, 7 and 17
g Compliance with standards and policies/Operating Manual	§§7 and 9 of the F/A	Items 1, 8 and 11
h Trademarks and proprietary information	§§6, 9 and 10 of the F/A, §§10 and 11 of the D/A	Items 13 and 14
i Restrictions on products/services offered	§§7(j), 7(k), 7(l), 7(m), 7(q), 7(w), 7(bb) and 7(gg) of the F/A	Item 16
j Warranty and customer service requirements	§§7(g), 7(o), and 7(r) of the F/A	Not Applicable
k Territorial development and sales quotas	§2(e) of the F/A, §§1 and 4 of the D/A	Item 12
l Ongoing product/service purchases	§§7(k),7(1) and 7(q) of the F/A	Item 8
m Maintenance, appearance and remodeling requirements	§§7(c), 7(q), 7(r), 7(s), 7(t), 7(w) and 7(aa) of the F/A, Hours of Operation Amendment	Item 11
n Insurance	§16 of the F/A	Items 7 and 8
o Advertising	§§7(m), 7(gg) and 8 of the F/A	Items 6, 7, 8 and 11
p Indemnification	§18(a) of the F/A	Not Applicable
q Owner's participation/ management/staffing	§§7(g), 7(h), 7(x), 7(y), 7(cc), 7(dd) and 7(ee) of the F/A	Items 6, 7, 11 and 15
r Records and reports	§11 of the F/A	Item 6
s Inspections and audits	§§7(p), 11(a) and 20(a) of the F/A	Items 6 and 11

Obligation	Section In Agreement	Disclosure Document Item
t Transfer	§§7(ee) and 13 of the F/A, §13 of the D/A	Items 6 and 17
u Renewal	§§3(b) and 3(c) of the F/A, §§2(b) and 5(c)(vi) of the D/A	Items 6 and 17
v Post-termination obligations	§§12(b) and 15 of the F/A	Item 17
w Non-competition covenants	§12(b) of the F/A	Item 17
x Dispute resolution	§§20 and 22 of the F/A, §§15 and 16(d) of the D/A	Item 17

ITEM 10. FINANCING

For New Development Units, HHI does not offer direct or indirect financing to its franchisees except that it may, in some circumstances finance a portion of Initial Franchise Fee, security deposit, and certain pieces of equipment in connection with a "Note" as further described below under "General Financing Terms " Additionally, HHI is currently offering a remodeling incentive program as described below under "Revitalization Evolution Remodel Incentive Program " For Resale Units, HHI does provide certain financing arrangements in connection with some Resale Units, as described below under "Additional Terms for Resale Units "

General Financing Terms

Promissory Note Under a Promissory Note (the "**Note**"), HHI may finance a portion of the Initial Franchise Fee, security deposit, and certain pieces of equipment paid by franchisees with operational experience for some new or currently existing Huddle House Restaurants that it offers for Franchises The Note bears interest at a fixed, annual rate which varies from time to time As of the date of this Disclosure Document, the Note provides for an annual rate of interest which does not exceed 14 5% The Note provides that all principal and interest owed under the Note are to be paid in 60 (or fewer) consecutive, equal, monthly installments The Note does not provide for a prepayment privilege or a prepayment penalty If any payment is more than 5 days late, a 5% late fee also is due, and if any payment is more than 10 days late, HHI or any other holder of the Note can call the entire amount owed under the Note due and payable If the Note is collected by law or through an attorney-at-law, all costs of collection (including 15% attorney's fees) also must be paid If you default under the Note, we may terminate your Franchise Agreement and you may be liable for a cross-default under the Franchise Agreement and required to pay HHI all sums, including actual and consequential damages, costs and expenses we incur as a result of the default The Note includes provisions waiving all homestead or exemption rights, demand, protest and notice of demand, protest, and non-payment (HHI's current form of Note is included as Exhibit A-11 to this Disclosure Document)

Guaranties and Owner Agreements

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

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

Under the Guaranties and the Shareholder's Agreement/Members' Agreement, the signing owners and guarantors each waive presentment, demand, notice of dishonor, protest and all other notices, and HHI can proceed against any owner or guarantor without first proceeding against you or any other owner or guarantor Additionally, under each of the agreements, the signing owners and/or guarantors (i) consent to, and waive any objection against, courts in the State of Georgia having personal jurisdiction over them in a lawsuit, (ii) consent to, and waive any objection against, venue being proper in Fulton County, Georgia Superior Court or the United States District Court for the Northern District of Georgia, Atlanta Division, in a lawsuit against them, (iii) agree to bring all lawsuits related to the Guaranty in Fulton County, Georgia Superior Court or the United States District Court for the Northern District of Georgia, Atlanta Division, and (iv) consent to, and waive any objection against, being served with process outside of the State of Georgia in the same manner as service may be made within Georgia

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

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

Additional Terms for Resale Units:

In addition to the above listed requirements and the Note, the following applies for Resale Units HHI leases or subleases the land, premises, building and for the operation of some currently existing Huddle House Restaurants that it offers for Franchises as Resale Units The Lease Agreement (see **Exhibit A-9**) is for a term of 15 years with an option to renew for three 5-year renewal periods (or if it is a sublease, then the term is (i) 15 years with an option to renew for up to three 5-year renewal periods or (ii) the remainder of any term on an underlying lease between HHI and the landlord) Rent is payable monthly at a rate to be specified in the Lease Agreement If any amount due under the Lease Agreement is more than 5 days late, a 5% late fee also is due If the lessee defaults under the Lease Agreement, HHI can terminate the agreement and require the lessee to leave the premises If any amount owed under the Lease Agreement is collected by or through an attorney at law, the lessee must pay 15% of such amount as attorney's fees The Lease Agreement provides that the lessee waives and assigns to HHI the lessee's homestead rights and exemptions

Revitalization Evolution Remodel Incentive Program

As of the date of this Disclosure Document, HHI is offering an incentive program for the revitalization of existing Huddle House Restaurants for persons who are interested obtaining a new Franchise Agreement to use either (a) at a closed Huddle House location (and the purchaser was not involved in the closure), or (b) for a transfer of existing (open and operating) Huddle House Restaurant (the "**Revitalization Incentive Program**") To qualify for this program, the franchisee must sign our current Franchise Agreement and a Revitalization Evolution Remodel Incentive Program Amendment (which is in **Exhibit A-13** to this Disclosure Document) Under this program, HHI will provide a $25,000 incentive to each participating franchisee that successfully completes a remodeling of the Huddle House Restaurant according to the program requirements, which include

remodeling the unit to our current brand and trade dress requirements within four months, passing HHI's remodeling inspection, tracking all costs using our cost-tracking guide, and being in good standing Following a franchisee's successful completion of the remodeling, HHI will pay the franchisee $20,000 (less any amounts owed to HHI) and spend $5,000 on marketing activities for the promotion of the unit's grand reopening HHI may discontinue the Revitalization Incentive Program in the future

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

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

Pre-Opening Obligations

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

Franchise Agreement Before you open the Franchise, HHI will

1 Provide you and/or your designated manager with up to 40 total days of training (or such other amount of time as HHI deems appropriate) in the operation of your Franchise (Franchise Agreement Section 4(a)(i)),

2 Provide, at your Franchise location, up to 14 days of pre-opening or opening assistance (or such other amount of time as HHI deems appropriate) in the initial operation of your Franchise (Franchise Agreement Section 4(a)(ii)),

3 Provide you with one copy of the Manuals (Franchise Agreement Section 4(a)(iii)),

4 Provide you with HHI's minimum standards for the location of a Huddle House unit, if an acceptable location for your Premises are not identified when you sign the Franchise Agreement (Franchise Agreement, Site Selection Addendum, Section 1),

5 Provide you with site selection counseling and assistance as HHI deems advisable (Franchise Agreement, Site Selection Addendum, Section 1),

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

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

Market Development Agreement Before you open each Franchise, HHI will

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

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

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

Ongoing Assistance

Franchise Agreement During your operation of your Huddle House Restaurant, HHI will

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

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

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

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

Market Development Agreement

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

Site Selection – New Development Unit

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

Unless you already possess a site that we accept at the time you sign the Franchise Agreement, you are responsible for finding and then leasing (or purchasing) a suitable site for your Restaurant in the manner described in the Site Selection Addendum (Exhibit E of the Franchise Agreement) HHI may provide site selection counseling and assistance as HHI determines advisable Under the terms of the Site Selection Addendum, you will have 210 days to locate and secure an acceptable site (the "**Site Selection Period**") We will furnish you with our minimum standards for the location of a Huddle House Restaurant Our requirements may include standards and specifications regarding accessibility, available parking, and minimum square footage We are not

required to provide other assistance in selecting or securing a site You must obtain our written acceptance of a proposed location before you commit to it Within 90 days after signing the Franchise Agreement, you must submit to HHI a request for acceptance of a site (including such information and items that we may require to evaluate the proposed site, which may include an option contract, letter of intent, or other evidence satisfactory to us that describes your favorable prospects for obtaining such site, photographs of the site, demographic statistics, and other such other information or materials that we may reasonably require) We will have 15 days from receiving the information to accept or reject the proposed site We may, but are not obligated to, conduct on-site evaluation of any proposed sites If we conduct any in-person visits for site evaluation purposes, then we may require that you reimburse us for our reasonable costs of travel, lodging, wages, and meals for any in-person site evaluations Until we have given our written acceptance, a site will not be "accepted " If we do not accept a proposed site, you must submit another proposal Once we notify you that we have accepted your proposed site, you will have 30 days to secure the site by entering into a lease for the premises or a binding agreement to purchase the site If you default on an obligation under the Site Selection Addendum, you will have 10 days to cure the default If you do not locate and secure an acceptable site within the Site Selection Period, then you will be in default under the Site Selection Addendum and we may terminate the Franchise Agreement The following chart summarizes the site selection actions and deadlines

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

Authorization by HHI of the site indicates only that the site meets HHI's minimum requirements for a Huddle House Restaurant

Once you have our acceptance of a location for your New Development Unit, you must comply with the terms of the Franchise Agreement regarding the acquisition, by purchase or lease, of the accepted site (Section 7(a)) and the development of your Huddle House Restaurant (Sections 7(b) and (c) of the Franchise Agreement) Once you secure an accepted site, it will be your "Premises " At that time, and before beginning your site design, you will travel to HHI's support center for a one day meeting to review the New Restaurant Opening Guide and complete initial project timelines and checklists with HHI's construction and design department and operations team HHI does not charge a fee for this day, but you will be responsible for any travel and related costs that you incur, including any travel expenses Construction on your Huddle House Restaurant must begin not more than 60 days after the Premises are secured (Section 7(d)) and your Huddle House Restaurant must begin operating for business with customers not more than 300 days after you secure the Premises (by lease or purchase) (Section 7(d)) If you do not begin construction and operations by such times, HHI can terminate your Franchise Agreement for default

Start-Up Time – New Development Unit

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

Start-Up Time – Resale Unit

Resale Units are currently operating as Huddle House Restaurants prior to your acquisition Therefore, the typical length of time between the signing of the Franchise Agreement or the first payment of consideration for your Franchise and the opening of your Resale Unit Franchise is nominal You will be able to take over operations of the Unit once you have successfully completed our initial training and other pre-opening obligations HHI estimates that the typical length of time to accomplish these obligations is 40 to 75 days (or less, if the franchisee is an existing operator who has already completed the required training)

Advertising

HH Marketing Fund

HH Marketing Fund was established to administer and operate the advertising fund for the Huddle House Restaurants in the Huddle House System (the "**Fund**") Amounts contributed to the Fund are used to meet the costs of advertising and promotional and other activities that we believe will promote and enhance the Huddle House System and general public awareness of and favorable support for the Huddle House System This includes, among other things, the costs of preparing and conducting media advertising campaigns (such as television, radio, magazine and newspaper advertising, Internet and Online Sites, as defined below), direct mail advertising, market surveys and other public relations activities, developing and maintaining our website (except for the portion, if any, specifically relating to soliciting franchisees), employing advertising personnel (in-house) or retaining third-party agencies to support marketing, advertising and public relations, consumer and product research and development, marketing technology, purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs, providing promotional and other marketing related materials and services to Huddle House Restaurants in the Huddle House System, sponsorship of organizations and events, including meetings for the Huddle House System, product research and surveys, and providing rebates or reimbursements to franchisees for local expenditures on products, services, or improvements as approved by HHI The coverage of any advertising or promotion paid for by the Fund is determined by HHI in its sole right and discretion, and HHI chooses and determines, in its sole right and discretion, the concepts, materials and media used in any advertising or promotional activities paid for by the Fund

Each HHI franchise and company-owned Huddle House Restaurant is required to contribute to the Fund Your contribution is currently 3 0% of your Net Sales Franchises that enter the Huddle House System after the date of this Disclosure Document are required to pay this same amount, except that the requirement may vary in connection with restaurants in a captive audience location or similar circumstances In the future, HHI may increase your required Fund contribution up to a maximum of 4% of Net Sales HHI-owned restaurants are required to contribute on the same basis Franchisees who entered the Huddle House System prior to that time (through previously executed Franchise Agreements and/or Market Development Agreements) may not be required under their Franchise Agreements or Market Development Agreements to contribute in the same amount, and a few of HHI's longest operating franchisees may not be required to contribute any amounts The amounts that the existing franchisees and multiple unit developers must contribute to the Fund are determined by the terms of the Franchise Agreements and Market Development Agreements that HHI previously offered

HHI, through the HH Marketing Fund, administers the Fund At this time, neither HHI nor any of its affiliates receives payment for providing goods or services provided to the Fund, other than for rent and administrative services provided by HHI for the Fund's activities The financial statements of the Fund are not audited During the most recent fiscal year (May 2, 2018 to April 30, 2019), 6 6% of the expenditures of the Fund were spent on advertising production costs, 19 6% were spent on administrative costs, 58 7% were spent media placement, and 15 1% were spent on brand and menu development marketing and research costs Any contributions that are collected, but not spent, during any given year will be carried over to be expended during our next fiscal year No expenditures of the Fund were used for advertising that was principally a solicitation for the sale of franchises HHI is not required to spend, or to ensure that any amount expended by the Fund, is spent on advertising in your specific market area or to ensure that your Franchise benefits equally with other franchised and HHI-owned restaurants or in proportion to your contribution

If any amounts contributed to the Fund are not spent in the year in which they are contributed, they will be spent in the following year Upon your written request, HHI will provide to you an unaudited statement of how the funds were used in HHI's most recent fiscal year

Local Advertising and Promotional Activities

Certain criteria will apply to the local marketing that you conduct You can develop your own advertising program, but your advertising and marketing must be in such media, and of such types and format as HHI approves, and must conform to the standards, formats and specimens in HHI's Manuals Upon request from HHI, you will change or cease to use any of your advertising programs, copy, and materials (Franchise Agreement Section 8) If you want to use different copy or materials, or use to a different type or format of promotion, you must obtain HHI's advance approval HHI will not unreasonably withhold its approval and any approval will be good for only six months Your advertising materials cannot include anything that may, at HHI's sole right and discretion, be considered in bad taste or offensive to the public or any group of persons, or defamatory of any person or an attack on any competitors (Franchise Agreement Section 8)

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

You must spend on a quarterly basis (or such other time period as HHI may reasonably specify) at least 0 5% of the Net Sales on local advertising and promotional activities (as described in Item 6, these are, collectively the "**Local Advertising Requirement**") (unless HHI requires that you instead contribute this amount as described in the next paragraph) You must account for the expenditures on a routine basis and prepare and maintain, in accordance with the schedules and procedures specified by HHI from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such period You must submit, on or before the 10th day of the following quarter, all such statements, reports and records as HHI may specify to evidence your compliance with the Local Advertising Requirement The term "local advertising and promotional activity" refers to advertising and promotion related directly to your Huddle House Restaurant, and will, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), approved DOT road signs

and billboard advertising, and other activities and expenses as HHI may specify HHI may provide to you, in the Confidential Operations Manual or otherwise in writing information specifying the types of advertising and promotional activities and costs which do not qualify as "local advertising and promotional activities," including the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations

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

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

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

The Franchise Agreement does not require that you participate in local or regional advertising cooperatives

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

Grand Opening Promotions

In addition to (and not in place of) your requirements to contribute to the Fund and your Local Advertising Requirements, you must spend an amount that we designate in your Franchise Agreement, ranging from $3,000 to $5,000 on local promotion and a grand opening event for your unit's initial opening (the "**Grand Opening Program**"), according to HHI's specifications The Grand Opening Program will generally occur during the first 60 days from the date you first open for business (the exact dates will be determined as part of the marketing plan that you submit to HHI for HHI's review and approval) All materials used in the Grand Opening Program will be subject to HHI's prior written approval, as described above Upon HHI's request, you must pay your Minimum Grand Opening Expenditure to a special bank account that HHI establishes and maintains and from which you may apply to withdraw funds for the purpose of paying (or reimbursing yourself) for mutually-agreeable local

marketing If you do not conduct the Grand Opening Program as required, HHI may elect to conduct the Grand Opening Program on your behalf If HHI does so, you will be required to pay HHI for the amounts that it expended on your Grand Opening Program

Online Sites

Unless HHI has otherwise approved in writing, you agree to neither establish nor permit any other party to establish an Online Site relating in any manner whatsoever to your Franchise, the Huddle House System, or referring to the Marks The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, social or business networking sites (*e g*, Facebook, Twitter, Instagram, LinkedIn, You Tube, Google Plus, Google My Business, Pinterest, Foursquare, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools, etc), blogs, vlogs, applications to be installed on mobile devices (*e g*, iOS or Android apps), business listings, search tools and other applications, etc Any Online Site relating in any manner whatsoever to your Franchise, the Huddle House System, or referring to the Marks will be deemed "advertising" under the Franchise Agreement, and will be subject to (among other things) HHI's approval In connection with any Online Site, you agree to the following

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

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

(3) If HHI permits you, in writing, to have an independent Online Site, then you must comply with all of HHI's then-current standards and requirements relating to Online Sites (which HHI may issue periodically in the Manuals or otherwise in writing) HHI's standards and requirements may include (as an example) submitting samples and other information (regarding both visible and non-visible content) in the form and manner HHI may require, inclusion of prescribed notices or disclaimers, and making HHI (or its designee) the sole administrator (or co-administrator or other designee with rights to control the site) of any social networking pages, and providing us with passwords to any such Online Site Additionally, HHI may in writing revoke HHI's approval at any time and require you to discontinue use of, take down, disable connectivity to, and remove content from, the independent Online Site (Franchise Agreement Section 8(ed))

Electronic Point-Of-Sale and Computer Systems

As described in Item 8, HHI has the right to designate the Computer System and Required Software that you must purchase and use in the operation of your Franchise You are required to purchase software and certain hardware for the Computer System, including an electronic POS System, according to specifications and standards designated by HHI, which may include the approval of certain manufacturers and suppliers HHI is not a supplier of the POS System or other portions of the Computer System, although HHI or an affiliate may become a supplier (and may become the sole supplier of this system) In connection with the Computer System and Required Software, you must enter and comply with any license, sublicense, or maintenance agreement that HHI or the vendor may require

The components of the current Computer and POS Systems fall into two general categories "front of the house" and "back of house " The front of the house items include a system that incorporates several touch-screen entry panels and software designed to provide cash register-like functionality, receipt printers, and cash drawers The back of house equipment facilitates unit management functions, a central processing unit, a printer to generate paper reports, and router to transfer data and programs This equipment also is used to track

employees' hours of work (i e , employees punch in and out using the POS equipment) Other uses include generation and/or maintenance of production schedules, vendor orders, and inventory lists, food cost analyses, employee records and other collections of data related to the day-to-day operation of your Franchise, credit card acceptance and verification, inventory management, and electronic submission of daily reports to HHI As described before, the software must be configured to include information regarding the recipes and pre-defined menu with pricing The Computer System also includes a mandatory customer online and mobile ordering system that you must use You must purchase the POS System and other portions of the Computer System from a third party approved by HHI, and have the software configured to include this information, which HHI will provide to you

You must use the POS System to track individual sales transactions that take place at your Franchise, and you must provide this data to HHI in a format and manner approved by HHI As a means to provide this data, we currently require you to use the NCR Aloha Point of Sale Software This POS System consists of the NCR Aloha Point of Sale Software running on a list of approved hardware

The software currently required is licensed (rather than owned) and, as such, your use of the software items listed above is limited by the intellectual property rights of the companies that produce such software The software manufacturers' individual license agreements regulate all use of their respective software and must be agreed to in order to run this system

We have negotiated preferred pricing with hardware suppliers that meet our standards and specifications Also, HHI may develop custom software for additional tracking purposes and you may be required to enter into a license agreement as a condition of using such software programs HHI estimates that the initial cost of purchasing the software and hardware necessary for the Computer System will be approximately $15,500 to $25,000

Additionally, you must obtain and use cable/DSL broadband communications or suitable connectivity available in your area You will be responsible for obtaining and properly installing any additional hardware or software necessary to facilitate the use of the cable/DSL broadband communications If you have cable/DSL broadband, you must also use PCI compliant security features, including antivirus, anti-spam, Firewall and intrusion detection HHI estimates that fees for these security services are currently approximately $1,200 to $2,000 per year HHI may be a provider of these services You will be responsible for complying with all applicable laws, regulations and rules relating to securing and maintaining credit card and customer identity information

HHI has independent access to all of the information and data collected through the POS System and may request additional access to (or data from) other portions of the Computer System (including tracking systems) You must transmit information to HHI from your computer system via high speed in the formats and at times as HHI may specify HHI may make the data collected accessible to all franchisees There are no contractual limitations on HHI's right to access and use this information and data All data provided by you, downloaded from your Computer System, and otherwise collected from your Computer System is and will be owned exclusively by HHI, and HHI shall have the right to use such data in any manner that HHI deems appropriate without compensation to you (Franchise Agreement, Section 7(u))

In order to prevent disruption to the intended use of this system, no software may be installed on this system unless it appears on the list of approved Microsoft software or prior written authorization is obtained from the Director of IT with HHI Currently, the approved software (in addition to that required) is Microsoft Office 2010 or higher Your POS System may be monitored for unauthorized applications, which may be subject to removal without notice

In addition to the cost of the hardware and software, additional charges will be incurred for maintenance, help desk services, and communication fees Each of these items is required The POS System will be used to

accept credit cards PCI compliance is mandatory and additional security measures and a static IP address will be required in order to process those transactions The cost of this requirement, estimated not to exceed $3,500 annually, is your responsibility There will be an additional cost for wiring if a store has not been pre-wired for both data and power to meet HHI's specifications

You must also purchase from, or contract with, HHI's approved suppliers for help desk services for the software, licensing and maintenance assistance for computer hardware HHI estimates that the monthly fees for software maintenance service and a "help desk" will cost approximately $245 to $275 As of the date of this disclosure document, HHI provides certain helpdesk services in connection with polling of the POS System, although HHI may decide to have these services provided by third-party suppliers in the future At this time, the fee for this service is $25 per month payable to HHI Software upgrades are not included as part of the software maintenance agreement that is offered Also, for the hardware covered by the hardware maintenance agreement, defective equipment will be replaced at no charge (provided the defective equipment is returned to the supplier)

You may be required to upgrade or update or replace any of the hardware or software and related programs used in connection with the Computer System There are no contractual limitations on the frequency or costs associated with this obligation You must adopt all modifications and additions specified by HHI and incorporate them into your Computer System within 30 days after notice from HHI (Franchise Agreement, Section 7(u))

HHI estimates that the annual cost of optional and required maintenance, updating, and upgrading for the hardware and software included in the POS System will be approximately $3,500

HHI rolled out a new web-based food and labor cost control system in 2018 All Units are required to implement this new software tool and, although it is difficult to estimate the exact cost of subscription to franchisees, HHI anticipates that it will cost you approximately $100 to $200 per month, per Unit, which includes the second level of support As part of this rollout, a PCI compliant Aloha version and equipment must be in place

HHI has the right to require that you participate in a gift card, customer incentive, convenience programs, and other loyalty programs and online ordering and delivery initiatives that HHI specifies For each required program, you must purchase the software, hardware, and other items needed to sell and process gift cards or loyalty cards (and the term "card" may include any electronic "cards" or similar technology that may replace or supplement physical cards) or to otherwise engage in the program, as HHI specifies in writing, and pay fees (which may include activation fees, monthly and per-swipe/use transaction fees) that HHI or vendors of these systems may require The fees may be payable directly to the designated vendors, or HHI may collect these fees for payment to the vendors The designated vendor, fees and payment methods for these programs may change in the future The following describes HHI's current programs and initiatives

At this time, HHI requires participation in a designated gift card program The current fee for this program is approximately $25 per month, which franchisees pay directly to the vendor

HHI is piloting a customer loyalty program, named Huddle Up Rewards, and an online ordering program As of August 2019, the monthly fees for these programs are $45 per restaurant per month for the Huddle Up Rewards loyalty program and $75 per restaurant per month for online ordering, and $95 per restaurant per month if bundled together HHI expects these fees to increase in the future At this time, the loyalty program and online ordering monthly fees are paid from the Fund for the pilot stores, but this may change in the future HHI plans to introduce these programs system-wide in 2019-2020 and require that all franchisees participate

HHI also expects to enter into agreements with one or more delivery service providers and may require franchisees to participate in the delivery programs At this time, the fees charged by the companies providing the

delivery services of this type include a commission, which generally ranges between 20% to 35% of the order price, payable by the franchisee Other fees imposed by the delivery companies may also apply

You must also participate in the customer feedback program that HHI designates from time to time As of the date of this Disclosure Document, Voice of the Customer is the required receipt survey program (but HHI may designate a different program in the future) HHI currently incurs the monthly overhead fee for the program, but may require franchisees to pay the monthly charges for their Franchised Restaurants This fee is currently approximately $30 00 per month per restaurant, but may increase in the future You will also be responsible for the cost of the survey receipt offer, which is currently a free menu item, but this may change and the fee may vary and will be determined by HHI in its sole right and discretion Franchisees are required to have the NCR Aloha POS to operate this ~~this~~ program Additionally, if your Franchised Restaurant does not receive a satisfactory score, then for each additional survey visit conducted to reevaluate the Franchised Restaurant's performance, you must pay the fee (which is currently $95) for each additional site-visit

Operations Manual

Additionally, attached as **Exhibit F** is the Table of Contents of the Operations Manual as of the date of this Disclosure Document There are 595 total pages in our Operations Manual as of the date of this disclosure document The Operations Manual may be provided in several volumes or parts HHI may provide you with any portion or all of the Operations Manual, as well as other instructional materials, through electronic media, including computer disks, the Internet or an Extranet

Training

The following describes HHI's training program as of the end of HHI's most recent fiscal year (May 2, 2018 to April 30, 2019)

HHI will provide to you and/or your designated manager up to 40 total days of training (and such additional time that HHI deems necessary) in the operation of your Franchise (Franchise Agreement Section 4(a)(i)) Before you begin operating your Franchise, you and any managerial personnel that are designated or approved by HHI personnel (as further described below) must complete to HHI's reasonable satisfaction all training programs that HHI reasonably requires (Franchise Agreement Section 7(i)) If you will be the day-to-day operator, then you and two additional managers must complete HHI's required initial training program (40 total days) If you will not be the day-to-day operator of your Huddle House restaurant, then (a) you must send three designated managers to complete this program, and (b) one of your owners will also be required to attend training that HHI designates for franchisees without an owner who is also a designated manager, which consists of approximately 6 days of training in a Huddle House restaurant and 4 days of HHI's basic class training If any of the required trainees do not satisfactorily complete HHI's required initial training program, you must designate a substitute trainee (Franchise Agreement Section 7(i)) If you do not designate a substitute trainee or if the substitute trainee does not satisfactorily complete the training program, HHI can terminate your Franchise Agreement (Franchise Agreement Section 7(i)) The pre-opening training program described below will begin approximately 13 weeks prior to the scheduled opening date, and must be complete approximately four weeks prior to schedule opening day, during which time you must hire staff and prepare for opening

Training is conducted at a Huddle House restaurant that HHI designates for use in training Investor Training programs are held monthly HHI also may conduct training at restaurants operated by franchisees. We do not currently, but in the future may require that you or your designated manager will attend the opening of a new restaurant at a franchisee's unit as part of your training program

The following table summarizes the subject matter, approximate minimum number of hours and location involved in HHI's pre-opening training program

TRAINING PROGRAM

Table 1 – For New Restaurant Openings

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Server Training	35**	30	New Restaurant Opening or Huddle House Certified Training Restaurant * Company-Owned and/or Franchised Restaurants, as designated by HHI
Cook Training	7**	70	New Restaurant Opening or Huddle House Certified Training Restaurant * Company-Owned and/or Franchised Restaurants, as designated by HHI*
Total	42	100	

Table 2 – Investor Training

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

Table 3 – Manager Training

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Server Training	5	35	Huddle House Certified Training Restaurant * Company-Owned and/or Franchised Restaurants, as designated by HHI
Cook Training	8	72	Huddle House Certified Training Restaurant * Company-Owned and/or Franchised Restaurants, as designated by HHI*
Manager Training – including Administrative, Volume Handling, Managing Unit	45	200	Support Center and Huddle House Certified Training Restaurant* Company-Owned and/or Franchised Restaurants, as designated by HHI
Total	58	307	

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

The manager and other personnel that train you at franchised or company-owned restaurants will be experienced in the fields for which they provide training Alan Rogers has been the Director of Training since September 2018 Mr Rogers has over 28 years of experience in training and operations in the restaurant industry

In addition to the training described above, HHI may offer and conduct an orientation program for new franchisees and other franchisees for whom we think the program will be beneficial (**"Franchisee Orientation Program"**) During any times that HHI does so, HHI may require that you, and/or your designated manager, attend and successfully complete the Franchisee Orientation Program within a designated period HHI may charge a fee for this program For new franchisees, you must attend within 90 days of signing the Franchise Agreement and before beginning to operate the Restaurant HHI may conduct the program at its headquarters (currently in Atlanta, Georgia) or at other locations that HHI determines appropriate As of the date of this disclosure document, HHI conducts a one-day Franchisee Orientation Program in Atlanta, Georgia (unless HHI designates an alternative support center) During this one-day session, you will review HHI's restaurant opening guidelines, project timelines, and checklists with HHI's construction and design and operations personnel HHI does not currently charge a fee for this session, but you will be responsible for all expenses associated with your personnel's attendance and participation

Any employee who is replacing your designated manager that was previously trained by HHI must attend and successfully complete all, or any portion, of training that we specify, for which HHI may charge a fee We currently require that a new manager, who is not an internal promotion from within a franchisee's existing

personnel, to complete the 40 day training (described in Table 1 above) at a HHI approved certified training within the time frames we specify We currently require that any existing employee who is promoted to manager position to complete a 20 day training at a HHI approved certified training restaurant

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

HHI may also conduct an annual conference for operators of Huddle House Units HHI may require you (or one of your Owners) to attend the annual conferences If you or your Owner do not attend a mandatory conference and you did not obtained HHI's prior written waiver, then you will be in default under your Franchise Agreement and you must pay a non-attendance fee of ~~$1,000~~ 2,500

ITEM 12. TERRITORY

Franchise Agreement

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

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

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

Except for the specific rights and territorial protections described in the paragraph above, HHI retains all other rights As a result, HHI and its affiliates (including parents, subsidiaries and related companies) and

licensees will have the right (among other things), on any terms and conditions that HHI deems advisable, and without granting you any rights, to conduct any business activities, under any name, in any geographic area (including within the Territory), and at any location, regardless of the proximity to or effect upon your Franchise, without compensation to you For example, HHI has the right to

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

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

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

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

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

The continuation of your territory does not depend on the achievement of any particular sales volume or market penetration It does, however, depend on your compliance with the Franchise Agreement If you default under the Franchise Agreement three or more times during any twelve-month period, we reserve the right to undertake certain actions in lieu of termination of the Franchise Agreement, including modifying, or eliminating completely, the Territory

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

Market Development Agreement

Development Area If you sign a Market Development Agreement, the Market Development Agreement will specify a Development Area, within which you may locate potential sites for Huddle House Restaurants, subject to HHI's acceptance During the Term of the Market Development Agreement, if you comply with the obligations under the Market Development Agreement and Development Schedule and except as otherwise provided in that agreement (and those exceptions are described in the paragraphs below), HHI will not establish or operate, nor franchise anyone other than you to establish or operate, Huddle House Restaurants in the Development Area The size and scope of the Development Area will be contained in the Market Development Agreement and will be determined on a case by case basis The factors that HHI considers in determining the size of a Development Area include current and projected market demand, demographics and population, traffic patterns, location of other Huddle House Restaurants, the financial and other capabilities of the developer, and HHI's development plans In HHI's experience, Territories have generally been determined on a basis of one town for each Huddle House Restaurant to be developed under the Market Development Agreement, although, as described above, various factors (such as the size and population of the relevant areas or towns, and the number of Huddle House Restaurants to be developed) may affect the size of a Development Area

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

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

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

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

- To sell or distribute at retail or wholesale, directly or indirectly, or license others to sell or distribute, directly or indirectly, any products, such as coffee, under any proprietary marks, including the Marks from any location notwithstanding its proximity to, or impact on, any of your Huddle House Restaurants, to accounts other than Huddle House Units (other than as Non-Traditional Restaurants) operated inside the Development Area (including educational institutions, military bases, public transportation facilities, health care facilities, toll road plazas or highway rest stops, stadiums, casinos, business and industrial complexes, government offices or institutions, contract or institutional food service operators, or national or group accounts), to retail food outlets (including supermarkets, theme parks, truck stops, gourmet shops, and convenience stores), non-food retail

stores (including warehouse clubs and book stores), and through catalogs, mail order, toll free numbers for delivery, electronic means (such as the Internet and mobile applications), phone sales, or other distributions means or methods that may be developed after you join the Huddle House System to any customer regardless of their location Neither HHI nor any of its affiliates has established any other channel of distribution selling or leasing similar products or services under a different trademark at this time

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

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

Except as described above regarding an extension of the Term or an extension of a deadline of the Development Schedule, there are no circumstances under which the Market Development Agreement may be altered prior to expiration or termination of the Market Development Agreement You will not receive an exclusive territory You may face competition from other franchisees, from outlets that HHI owns, or from other channels of distribution or competitive brands HHI controls Your territorial protection is not dependent upon achievement of a certain sales volume, market penetration, or other factors, other than compliance with the Market Development Agreement and Development Schedule

~~*Possibly Deemed*~~*Affiliate and Potential Affiliate Operations* As disclosed in Item 1, there are the businesses that as of the date of this disclosure document, ~~we~~are affiliates of HHI or may be deemed affiliated with ~~the following entities (i) CEC, which offers franchises for family dining and entertainment centers that specialize in the offer and sale of pizza~~HHI and that operate or franchise businesses under ~~the "Chuck E Cheese's" mark, (ii) Peter Piper, which offers franchises for family dining and entertainment centers~~a different trademark or sell goods or services similar to those that ~~specialize in the offer~~HHI's franchisees sell For each current (and possibly deemed) affiliate, Item 1 describes for its principal business addresses the type of business operated and goods and ~~sale of pizza~~services sold the primary trademark used and ~~that operate under the "Peter Piper Pizza" mark,~~whether the businesses are franchised and~~, (iii) Qdoba Corp , which offers franchises for fast casual restaurants specializing in the offer~~/or company-owned All of these other businesses except for Perkins LLC, maintain offices and ~~sale of Mexican style cuisine~~training facilities that are physically separate from HHI's offices and ~~that operate under the "Qdoba" mark~~ training facilities maintained at HHI's headquarters The Perkins Business will be a separate franchise system operated by Perkins LLC, however HHI or an affiliate may provide certain support services to Perkins LLC and the Perkins Business In addition to any current affiliated programs, certain of our parents and/or affiliates (and/or their owners), may ~~in the future~~ invest in other companies that offer

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

ITEM 13. TRADEMARKS

The Market Development Agreement does not allow you to use the Marks The Franchise Agreement, as applicable, will provide you with the right to operate your Franchise under the Marks, including Huddle House® service mark The Huddle House® (and design) mark was registered by HHI with the United States Patent and Trademark Office on January 28, 1992 (and renewed in 2011) The registration number is 1,673,776 and it is listed on the principal register Other Marks, which are listed on the principal register, along with their registration numbers and dates of registration, include those listed below

Mark	Registration Number	Effective Date
Huddle House (stylized)	903,628	December 1, 1970 (renewal 2010)
Huddle House (stylized)	1,672,897	January 21, 1992 (renewal 2011)
Huddle House	2,402,101	November 7, 2000 (renewal 2009)
Huddle House (stylized)	1,673,776	January 28, 1992 (renewal 2011)
Huddle House (stylized)	2,912,436	December 21, 2004 (renewal 2014)
Huddle House (stylized)	2,912,437	December 21, 2004 (renewal 2014)
Huddle House (circle logo)	3,874,085	November 9, 2010
Huddle House (stylized)	3,874,086	November 9, 2010

HHI has filed or will file all required affidavits relating to the principal marks There are currently no effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court There is no pending infringement, opposition, or cancellation proceeding There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state HHI does not know of any infringing uses that could materially affect your use of the Marks in this state or elsewhere There are no agreements currently in effect which significantly limit the rights of HHI to use or license the use of any trademark listed in this **Item 13**

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

You must police the use of the Marks and other elements of the Huddle House System (such as building designs, color combinations, printed materials, etc) and must promptly notify HHI of any unauthorized use of the Marks, any challenge to the validity of the Marks, any challenge to HHI's ownership of, right to use and to license others to use, or your right to use, the Marks, and any use or claims that a third party may have of any

trademark or service mark that is identical or confusingly similar to any of the Marks or elements of the Huddle House System The Franchise Agreement does not require HHI to take affirmative action when notified of these uses or claims HHI has the right to control any administrative proceedings or litigation in connection with these uses or claims, and you cannot take any action or incur any expenses on HHI's behalf in connection with any such use or claim without HHI's prior written approval

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

You must not use the Marks (including HHI's service marks), the name Huddle House, Inc , or the abbreviations "HHI" or HH as part of your corporate, partnership, or other legal name, or as part of any e-mail address, domain name, or other identification of you or your Franchise in any electronic medium, unless agreed to in advance, in writing, by HHI You must also submit to HHI, for prior written approval, any corporate, partnership, or other legal name that you propose to use

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents (final or pending) or registered copyrights are material to the Franchise However, HHI claims common law copyright protection for the Manuals, Restaurant design plans (for which copyright registration applications have been filed), and HHI's other forms and materials HHI also claims proprietary rights in the confidential information and trade secrets contained in the Manuals, as well as in trade dress

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

HHI may revise the contents of the Manuals, and you must comply with each new or changed standard You must ensure that the Manuals are kept current at all times If there is a dispute as to the contents of the Manuals, the terms of the master copies which HHI maintains at HHI's home office will control

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

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

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

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

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

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

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must not use the premises of your Huddle House Restaurant for any other purpose or activity that is not provided for in the Franchise Agreement The rights granted to you are limited solely to the premises of your Huddle House Restaurant and you may not operate the franchised business or use HHI's products at any other location without first obtaining HHI's written consent You must operate your Franchise in strict conformity with the specifications contained in the Manuals or otherwise in writing You must not deviate from HHI's specifications and procedures without first obtaining HHI's written consent

You must offer and sell all products designated by HHI and you may not sell any product (food or non-food) that is not designated by HHI Such products must be prepared according to HHI's prescribed methods of preparation HHI can change such authorized products and methods of preparation, and there is no limit on HHI's right to make such changes, so long as HHI is acting reasonably and gives reasonable notice of such changes

You must keep your Huddle House Restaurant open and in normal operation during the times that HHI specifies as mandatory hours of operation, which HHI may periodically change HHI has the right to modify the mandatory hours of operation in the future, including a mandatory 24 hour, 7 days a week, schedule HHI reserves the right to require that certain Huddle House Restaurants remain open for different hours of operation than others (for instance restaurants may be required to operate drive-through services during different hours than eat-in services)

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

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

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

THE FRANCHISE RELATIONSHIP

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

FRANCHISE AGREEMENT:

	Provision	Section in Franchise Agreement	Summary
a	Length of the franchise term	3(a)	15 years, or possibly less for a Franchise for Resale Unit depending on the length of time left on HHI's lease for the premises
b	Renewal or extension of the term	3(b)	If you have complied with the Franchise Agreement and meet other conditions at the time of each renewal date, you can renew for up to three 5-year terms
c	Requirements for you to renew or extend	3(b) and (c)	Give notice, pay fee, and meet HHI's terms and conditions, including signing a new agreement (that may have materially different terms and conditions than your original contract), signing a release, and bringing your Franchise up to current standards
d	Termination by you	Not Applicable	Not Applicable

	Provision	Section in Franchise Agreement	Summary
e	Termination by HHI without cause	Not Applicable	Not Applicable
f	Termination by HHI with cause	14	If you default under the Franchise Agreement
g	"Cause" defined – curable defaults	14(c)	You have various cure periods ranging from 3 days to 10 days for certain of the defaults listed in Section 14(b) of the Franchise Agreement
h	"Cause" defined – non-curable defaults	14(a) and (b)	All defaults listed in Sections 14(a) and 14(b) of the Franchise Agreement
i	Your obligations on termination/non-renewal	12(~~b~~c) and 15(a)	Remove sign faces and deliver to HHI, pay all amounts due, complete de-identification, return of confidential information, assign phone numbers, cease use of advertising materials, and comply with the non-competition obligations (as described below)
j	Assignment of contract by HHI	13(a)	Freely assignable
k	"Transfer" by you – defined	13(b)	Includes transfer of an interest in the Franchise Agreement, the premises for your Franchise or any equity or voting interest in you
l	HHI's approval of transfer by you	13(c)	HHI must approve any proposed transfer, but will not unreasonably withhold approval if certain conditions are met
m	Conditions for HHI approval of transfer	13(c) and (d)	Restaurant must be in operation before the transfer, transferee meets HHI's standards (including that the transferee satisfactorily completes all training and management staffing before the transfer), HHI deems price, terms and conditions to be reasonable, a transfer fee is paid (transfer fee is 25% of the then-current Initial Franchise Fee except for some limited transfers), all required documents are signed, your obligations are satisfied, operating deficiencies are remedied The required documents to be signed may include a then-current form of Franchise Agreement between the transferee and HHI, a transfer agreement, and related agreements as HHI deems necessary or desirable to reflect the terms and conditions of the transfer and HHI's approval If HHI agrees (even though not required) to allow a transfer to proceed before the transferee satisfies

Provision	Section in Franchise Agreement	Summary
		all training and/or management staffing requirements, the conditions of HHI's approval will include terms that it determines appropriate to ensure the proper operations of the Unit until the transferee completes those requirements The terms may include you remaining obligated for the operation of the Unit, entering into a management agreement (with terms relating to the Unit's operations as are reasonably acceptable to HHI) with the transferee, and/or entering into escrow arrangements with the transferee until HHI notifies the parties that all training and staffing requirements are satisfied If an escrow arrangement is required, HHI may require the use of an escrow agreement and/or agent that HHI designates or approves
n HHI's right of first refusal to acquire your business	13(g)	HHI has 30 days to match offer for any interest in the Franchise, the premises for your Franchise, the Franchise Agreement or you
o HHI's option to purchase your business	13(g) and 15(b)	HHI has option to acquire, by purchase or lease, your Franchise premises when your Franchise Agreement expires or terminates or upon a default for which HHI has the right to terminate the Franchise Agreement
p Your death or disability	7(x), 7(y) and 13(f)	HHI can manage Franchise for 8% fee, you have 6 months to transfer to approved transferee, replacement manager must be approved within 60 days of removal
q Non-competition covenants during the term of the franchise	7(cc) and 12(b)	No involvement in a Competitive Business A "Competitive Business" means any family style restaurant, pancake house, buffet serving breakfast, or diner, or any other table-service food service operation that sells pancakes or waffles or derives more than 25% of its total sales from sit down breakfast items

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

DEVELOPMENT AGREEMENT·

Provision	Section in Market Development Agreement	Summary
a Length of the agreement term	2	Ends at the earlier of the date the Franchise Agreement is signed by HHI for last Unit to be developed or last day of Development Schedule HHI's existing Market Development Agreements generally have terms that are from one to ten years We may permit Developers who are in compliance to purchase an extension of the Term of the Development Agreement (see below)
b Renewal or extension of the term	2(b) and 5(c)(vi)	Extension of Term – For Developers who are in compliance, we may permit the option to purchase an extension of the Term of the Development Agreement beyond the end of the Development Schedule An extension of the Term does not change the Development Schedule See Section 2(b) Extension of a Development Schedule Deadline - HHI can permit extension of a deadline of the Development Schedule in its sole right and discretion, if you have complied with the Market Development Agreement and are pursuing construction in good faith– see Section 5(c)(iv) This is separate from an extension of the Term beyond completion of the Development Schedule
c Requirements for you to renew or extend	2(b) and 5(c)(vi)	Extension of Term – You must be in full compliance with the Development Agreement and all other agreements between you and HHI, give notice of your request to extend at least 6 months before the expiration of the Development Agreement, and pay a Term Extension Fee (see Item 6 for fee calculation) We are not required, but may agree, to the requested extension Extension of a Development Schedule Deadline - To be eligible to extend a deadline for a Restaurant that you must develop under the Development Schedule, you must apply in writing to HHI, specifying the reasons for the requested extension and a proposed revised opening date for the affected Huddle House Restaurant Also, you may be required to pay a fee in an amount equal to $5,000 per month of the extension

	Provision	Section in Market Development Agreement	Summary
d	Termination by you	Not Applicable	Not Applicable
e	Termination by HHI without cause	Not Applicable	Not Applicable
f	Termination by HHI with cause	8	If you default under the Market Development Agreement
g	"Cause" defined – curable defaults	8(b)(vi)	You have 10 days to cure defaults not listed in Section 8 of the Market Development Agreement
h	"Cause" defined – non-curable defaults	8	All other defaults listed in Section 8 of the Market Development Agreement
i	Your obligations on termination/ non-renewal	Not Applicable	Not Applicable
j	Assignment of contract by HHI	13(~~a~~c)	Freely assignable
k	"Transfer" by you-defined	13(a) and (b)	Includes transfer of an interest in the Market Development Agreement or any interest in you if you are an entity
l	HHI's approval of transfer by you	13(a)	Only with HHI's written consent
m	Conditions for HHI's approval of transfer	13(c)	HHI may condition its approval of a transfer under the Market Development Agreement on, among other factors any of the conditions (that we deem applicable) as described in the form of Franchise Agreement included in the Disclosure Document provided to you for your Market Development Agreement, payment of a transfer fee ($5,000, except for some limited transfers), the requirement that the proposed transfer is to be made in conjunction with a simultaneous transfer of all comparable interests that you hold under any Franchise Agreements that you have entered into under the Market Development Agreement, and execution of our then-current Market Development Agreement
n	HHI's right of first refusal to acquire your business	Not Applicable	Not Applicable
o	HHI's option to purchase your business	Not Applicable	Not Applicable

Provision	Section in Market Development Agreement	Summary
p Your death or disability	13(~~a~~d)	Interest in the Market Development Agreement can be transferred, so long as HHI approves, approval will not be unreasonably withheld
q Non-competition covenants during the term of the agreement	6(c)	Cannot solicit employees of HHI working in certain positions at HHI's corporate headquarters or distribution center
r Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s Modification of the agreement	16(c)	No modification except where agreed to in writing
t Integration/merger clause	16(~~g~~k)	Only the terms of the Market Development Agreement are binding and any other promises may not be enforceable (other than this Disclosure Document) (subject to applicable state laws)
u Dispute resolution by arbitration or mediation	15	Mediation must be conducted before lawsuit can be filed, except for trademark or similar disputes, or to maintain status quo The agreement contains provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised See Section 15
v Choice of forum	16(d)	Fulton County, Georgia or U S District Court for Northern District of Georgia (subject to applicable state laws)
w Choice of law	16(d)	Georgia law applies (subject to applicable state laws)

*Note In addition to the provisions noted in the charts above, the Franchise Agreement and Market Development Agreement contain a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised See Franchise Agreement Section 22 and Market Development Agreement Section 16 These provisions may not be enforceable under certain state laws See **Exhibit H** and **Exhibit I** for descriptions of some specific state statutes and regulations We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer

ITEM 18. PUBLIC FIGURES

HHI does not use any public figure to promote its franchise

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Part 1 – Annualized Unit Volumes for Evolution Design Franchised Restaurants

Franchised Evolution Restaurants (New & Remodeled)

Top 1/3 of Restaurants (81 Units)			
Average	Median	Low	High
1,048,717	985,715	843,386	1,827,360

Middle 1/3 of Restaurants (80 Units)			
Average	Median	Low	High
723,421	716,080	620,693	842,367

Bottom 1/3 of Restaurants (81 Units)			
Average	Median	Low	High
486,933	502,345	245,237	613,286

All 242 Evolution Design Franchised Restaurants			
Average	Median	Low	High
753,146	716,079	245,237	1,827,360

(see Notes on next page)

Part 1 – Annualized Unit Volumes for Evolution Design Franchised Restaurants - Notes

The above table shows the highest, average, median and lowest Annualized Unit Volumes Evolution design restaurants in each category All newly developed Huddle House restaurants have the Evolution design The term "Evo" is often used to refer to a restaurant with the Evolution design

The "Annualized Unit Volume" (also known as annualized sales), is the DSA (daily sales average) multiplied by 365 days If a restaurant was open fewer than 365 days, the Annualized Unit Volume will exceed the actual sales volume The DSA is the restaurant's actual sales, without sales tax, divided by the number of days the restaurant was open

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

There are 242 Huddle House franchised restaurants included in the table, encompassing all the Evolution design franchised restaurants that were in operation at least 4 periods (112 Days)* during HHI's fiscal year (May 2, 2018 to April 30, 2019), and were also open the last day of the fiscal year (April 30, 2019) The table excludes 16 restaurants that were either open less than 4 periods, or not open on April 30, 2019 The table shows total overall units, and also sub-divided into the top third (33%), middle third, and bottom third, based on Annualized Unit Volumes

Restaurants remodeled during fiscal year 2019 are included in the Evolution restaurants group

- Of the 242 franchised Evolution restaurants, there are 81 restaurants included in the Top Third, and of these 30 (37 0%) had Annualized Unit Volumes greater than the Top Third average of $1,048,717
- Of the 242 franchised Evolution restaurants, there are 80 restaurants included in the Middle Third, and of these 36 (45 0%) had Annualized Unit Volumes greater than the Middle Third average of $723,421
- Of the 242 franchised Evolution restaurants, there are 81 restaurants included in the Bottom Third, and of these 46 (56 8%) had Annualized Unit Volumes greater than the Bottom Third average of $486,933
- Of ALL the 242 franchised Evolution restaurants, 109 (45 0%) had Annualized Unit Volumes greater than the average of $753,146

* As noted above, this Part 1 includes the results of the 242 Huddle House franchised Evolution restaurants that were in operation at least 4 periods Of these 242 units 232 (95 9%) were open a full year (at least 350 days), 6 (2 5%) were open between 320 and 349 days, 4 (1 7%) were open less than 320 days

* * * * *

Part 2 – Operational Results for Company Owned Restaurants (Fiscal Year 2019)

All 24 hour restaurants operated by HHI for a minimum of 24 months. (15 Stores)

Average per store	% of Net Sales
Net Sales	*100 0%*
COGS	*29 3%*
Gross Profit	*70 7%*
Labor & Benefits	*23 0%*
Rent	*7 0%*
Franchise Fees	*7 75%*
Other	*14 5%*
EBITDA	*18 5%*
EBITDAR	*25 5%*

The above table shows selected average cost and margin for all fifteen (15) Huddle House, Inc 's ("HHI") Huddle House Restaurants ("Company Owned Restaurants"), operated by HHI for a minimum of twenty-four months, and open 24 hours per day as of the end of the 2019 fiscal year The Cost and Margin information in the table for these Huddle House Restaurants covers the entire 2019 fiscal year from May 2, 2018 through April 30, 2019 (See the Notes below for information regarding the definitions and the categories of expenses shown in Table 2) We selected 24 hour restaurants that have been operated by HHI for a minimum of 24 months because historically we are 24 hour brand and a +24 month outlook helps to eliminate anomalies that may occur at a location operating less than 2 years

Part 2 – Operational Results for Company Owned Restaurants – Notes

1 Methods - Part 2 provides selected costs of Company Owned Restaurants Each category stands alone, meaning the store with the highest expense in one category may not be the same store with the highest expense in the next category The weighted average costs are shown as a percent of Net Sales, and is calculated by dividing the total cost of all 15 restaurants for each of the categories, by the total Net Sales of all 15 restaurants Net Sales is Sales excluding promotions, discounts, employee meals, voids, and sales tax

2 Description of Categories - The following terms are used in Part 2, and have the following meanings

a) "COGS" means the cost of food, beverage, and paper supplies used in the operation of the Huddle House Restaurant The food, beverage, and paper costs are based on the same item cost that a franchisee would pay for the same items, if the items are bought from Huddle House, Inc Our 15 Company Owned Restaurants, that HHI operated for a minimum of 24 months, had an average food and beverage cost of 27 0% of Net Sales, and an average paper cost of 2 3%, totaling 29 3 % for fiscal year 2019 Of these 15 Company Owned Restaurants, 8 (53 3%) had COGS greater than the average of 29 3%, and the median result was 29 5%

b) "Labor & Benefits" means the hourly labor cost of non-managerial staff working at the Huddle House Restaurant, including overtime, and associated costs which include, payroll taxes, workers compensation, bonus, vacation pay, and hiring costs The 15 Company Owned Restaurants operating a minimum of 24 months had an average Labor & Benefit cost of 23 0% of Net Sales for fiscal 2019 Of these 15 Company Owned Restaurants, 8 (53 3%), had Labor and Benefits greater than the average of 23 0%, and the median result was 23 1% Medical benefits and manager wages were excluded because these costs may be higher in Company Owned Restaurants than in franchised restaurants The cost of managers varies significantly based on location and other factors Often, Franchisees manage (at least in part) their own restaurants and may not provide medical benefits to employees

c) "Rent" means base rent The 15 Company Owned Restaurants that were included pay a flat rent HHI is required to pay real estate taxes and procure insurance under the leases, and these costs are reflected in the "Other" costs, as noted in Part II, 2(g) below Of the 15 Company Owned Restaurants that were included, 8 (53 3%) had an average rent at or above 7%, and the median result was 7%

d) "Franchise Fees" – The adjustments to "Gross Margin" included in the Table above under "Franchise Fees" are for Royalty Fees and contributions to the Advertising Fund Company Owned Restaurants and new franchisees incur these fees as follows

- Royalty fees payable to HHI of 4 75% of Net Sales

- Contributions to the Advertising Fund, which are currently 3 0% of Net Sales (but HHI may increase the required contributions up to a maximum rate of 4% of Net Sales) Each Unit also incurs direct local marketing expenditures, but each operator's actual costs will vary based on the activities for a particular Unit and local area Franchisees are required to expend at least 0 5% of Net Sales on their local advertising expenditures

e) "EBITDA" means Earnings Before Interest, Taxes, Depreciation, and Amortizations The 15 Company Owned Restaurants operating a minimum of 24 months had an average EBITDA of 18 5% for fiscal year 2019 EBITDA excludes medical benefits and manager wages (see 2 (b) above) Of these 15 Company Owned Restaurants, 7 (46 7%) had EBITDA Margins greater than the average of 18 5%, and the median result was 17 6%

f) "EBITDAR" means Earnings Before Interest Tax Depreciation Amortization and Rent The 15 Company Owned Restaurants operating a minimum of 24 months had an average EBITDAR of 25 5% for fiscal year 2019 EBITDAR excludes medical benefits and manager wages (see 2 (b) above) OF these 15 Company Owned Restaurants, 7 (46 7%) had EBITDAR greater than the average of 25 5%, and the median result was 24 9%

g) "Other" - There are additional types of expenses that operators are likely to incur, and which will be applied after determining the "Gross Profit" The following are included as non-exhaustive examples from the Company Owned Restaurants operations Of the 15 Company Owned Restaurants that are included, 4 (26 7%), have "Other" cost greater than the average of 15 4%, and the median result was 14 9%

- Controllable expenses – this includes utilities, operating supplies, contract services, office supplies, repairs and maintenance, credit card fees, uniforms, small equipment and miscellaneous expense

- Other fixed costs – this includes equipment leases, business licenses, property taxes, property and casualty insurance, and professional services

h) Additional Factors and Costs - There will also be additional types of expenses, cost and deposits that you are likely to incur in operating a franchise, such as equipment lease fees, franchisee compensation over and above that earned from the operations of the Franchise (such as a salary that you may draw), debt service, facilities and property maintenance (and reserves for future maintenance and replacement of equipment), business and regulatory fees and licenses, ongoing and supplemental training expenses, legal and accounting fees, bookkeeping and other professional services HHI recommends discussing all of these points with your accountant to be sure that you understand all of the costs that you will incur in running your business

3 Company Owned ~~Restaurant~~Restaurants may have higher expenses in certain categories than similar franchised restaurant expenses due to franchised restaurants choosing to remove or reduce certain expenses, such as employee benefits, vacations, manager cost, overnight mail cost, employee screening, etc

4 The information included above is a historic financial performance representation based on Huddle House, Inc 's Company Owned Restaurants

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Part 3 – Annualized Unit Volumes for all Restaurants open at least 4 Periods (112 Days)

Franchised &Company Owned Restaurants							
296 Restaurants				36 Restaurants			
Average	Median	Low	High	Average	Median	Low	High
730,289	691,167	217,649	1,827,360	663,312	649,734	359,035	1,296,250
296 Total Franchised Restaurants Included				36 Total Company Owned Restaurants Included			

This section is similar to Part 1, in that it shows the Annualized Unit Volumes, as defined in Part 1 The above table shows the average Annualized Unit Volumes for all 332 Huddle House Restaurants, of any design, that were in operation at least 13 weeks during HHI's fiscal year (May 2, 2018 to April 30, 2019), and were also open the last day of the fiscal year (April 30, 2019) The table excludes 25 restaurants (18 franchised restaurants and 7 company owned restaurant) that were either open less than 13 weeks or not open on April 30, 2019 The above table is divided into 2 groups Company Owned Restaurants and Franchised Restaurants

- Of the 296 Franchised restaurants, 127 (42 9%) have Annualized Unit Volumes greater than the average of $730,289

- Of the 36 Company Owned Restaurants, 16 (44 4%) have Annualized Unit Volumes greater than the average of $663,312

The Huddle House system average Annualized Unit Volume for all 332 Huddle House restaurants that are reflected in Part 3 above was $723,026 for fiscal 2019 (This average is the total Net Sales divided by the number of days these restaurants were open and then multiplied by 365) Of the 332 restaurants, 144 (43 4%) achieved Annualized Unit Volumes greater than that average

For Part 3, the total number of franchised restaurants included were 296 Part 3 also includes 36 Company Owned Restaurants, making the grand total 332 There were actually 357 restaurants that reported Sales during our fiscal 2019 year (May 2, 2018 through April 30, 2019) However, 17 restaurants closed during the year, and 8 restaurants that were open on April 30th had less than 13 weeks of Sales These ~~34~~25 restaurants were excluded from the 357 restaurants, making the total included 332

Of the 332 restaurants that are included, all were open on April 30, 2019, and 316 (95 2%) had Sales for at least 350 days, 10 (3 0%) restaurants had Sales for approximately 320 to 349 days, 14 (4 2%) restaurants had Sales for less than 320 days All of these are included in the overall system averages

* * * * *

Additional Notes to Item 19

Please note that this Item 19 includes financial performance information relevant to HHI's standard Huddle House Restaurants

Some Huddle House Restaurants have achieved the results summarized above Your individual results may differ. There is no assurance that you'll sell or earn as much

Actual results of any particular restaurant are dependent on a variety of internal and external factors, none of which either HHI or a franchisee can estimate, such as competition, taxes, interest rates, the availability of financing, general economic climate, demographics, geographic location, commodity prices, changing consumer preferences, the franchisee's business and management skills, and the franchisee's own commitment to its business A new franchisee's Huddle House Restaurant results are likely to differ from those of established Huddle House Restaurants

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

Written substantiation ~~of~~for the ~~data used in preparing these sales and related amounts is~~financial performance representation will be made available to the prospective franchisee upon ~~your~~ reasonable request

Other than the preceding financial performance representation, HHI does not make any financial performance representations HHI also does not authorize its employees or representatives to make any such representations either orally or in writing If you are purchasing an existing Huddle House Restaurant, however, HHI may provide you with the actual records of that Huddle House Restaurant If you receive any other financial performance information or projections of your future income, you should report it to HHI management by contacting Melissa Rothring, 5901-B Peachtree Dunwoody Rd NE, Suite 450, Sandy Springs, GA 30328 (phone 770 325 1372, fax 770 325 1316, email mrothring@huddlehouse com), the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20.OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary
For years 2016-2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	358	328	-30
	2017	328	315	-13
	2018	315	300	-15
Company-Owned	2016	12	30	18
	2017	30	36	6
	2018	36	42	6
Total Outlets	**2016**	**370**	**358**	**-12**
	2017	**358**	**351**	**-7**
	2018	**351**	**342**	**-9**

Notes to Table 1

1 These tables reflect HHI's fiscal years (not calendar years)
- 2018 = May 2, 2018 to April 30, 2019
- 2017 = April 30, 2017 – May 1, 2018
- 2016 = May 01, 2016 - April 29, 2017

2 All outlets described in this table are Standard Units

Table No. 2
Transfers of Outlets from Franchisees to
New Owners (other than the Franchisor)
For years 2016-2018

State	Year	Number of Transfers
Alabama	2016	1
	2017	0
	2018	0
Georgia	2016	4
	2017	2
	2018	3
Illinois	2016	0
	2017	0
	2018	1
Kentucky	2016	0
	2017	5
	2018	0
Louisiana	2016	1
	2017	0
	2018	0

State	Year	Number of Transfers
Mississippi	2016	6
	2017	0
	2018	0
North Carolina	2016	0
	2017	0
	2018	1
South Carolina	2016	2
	2017	0
	2018	0
Tennessee	2016	0
	2017	0
	2018	0
Texas	2016	0
	2017	0
	2018	2
West Virginia	2016	1
	2017	0
	2018	0
Totals	**2016**	**15**
	2017	**7**
	2018	**7**

Notes to Table 2

1 These tables reflect HHI's fiscal years (not calendar years)
- 2018 = May 2, 2018 to April 30, 2019
- 2017 = April 30, 2017 – May 1, 2018
- 2016 = May 01, 2016 - April 29, 2017

2 States not listed above had no transfers during 2016, 2017, or 2018

Table No 3
Status of Franchised Outlets
For years 2016-2018[1]

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2016	34	0	0	0	1	1	32
	2017	32	0	0	0	0	1	31
	2018	31	1	1	0	0	0	31
Arkansas	2016	9	0	1	0	0	0	8
	2017	8	1	0	2	1	2	4
	2018	4	2	0	0	0	1	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Florida	2016	7	1	0	0	1	0	7
	2017	7	3	0	0	0	0	10
	2018	10	0	1	0	0	0	9
Georgia	2016	90	2	0	1	1	4	86
	2017	86	8	1	0	1	7	86
	2018	86	4	2	4	7	4	73
Illinois	2016	9	0	0	0	0	0	9
	2017	9	1	0	0	0	1	9
	2018	9	0	0	0	0	0	9
Indiana	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Kansas	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
Kentucky	2016	27	1	0	0	0	1	27
	2017	27	5	0	1	0	3	28
	2018	28	0	2	0	0	0	26
Louisiana	2016	14	0	0	0	0	1	13
	2017	13	2	0	0	0	2	13
	2018	13	1	0	0	0	0	14
Maryland	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Mississippi	2016	35	0	0	0	13	3	19
	2017	19	0	6	0	2	4	7
	2018	7	2	0	0	0	2	7
Missouri	2016	13	0	0	1	0	0	12
	2017	12	1	0	0	0	0	13
	2018	13	0	0	0	0	0	13
Nebraska	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	1	1
	2018	1	0	0	0	0	0	1
New Jersey	2016	0	1	0	0	0	0	1
	2017	1	2	0	0	0	1	2
	2018	2	0	0	0	0	1	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
North Carolina	2016	14	0	0	0	0	0	14
	2017	14	0	0	0	0	0	14
	2018	14	0	0	0	0	0	14
North Dakota	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Ohio	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Oklahoma	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Pennsyl-vania	2016	2	0	0	0	0	0	2
	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
South Carolina	2016	37	2	0	3	0	6	30
	2017	30	2	0	1	2	1	28
	2018	28	0	0	0	0	0	28
Tennessee	2016	24	1	0	0	2	3	20
	2017	20	3	1	0	3	4	15
	2018	15	1	1	0	0	0	15
Texas	2016	17	2	1	0	0	0	18
	2017	18	1	0	0	0	0	19
	2018	19	2	3	0	0	0	18
Virginia	2016	12	2	0	0	0	0	14
	2017	14	4	0	1	0	0	17
	2018	17	1	0	0	0	1	17
West Virginia	2016	3	0	0	0	0	0	3
	2017	3	1	0	0	0	1	3
	2018	3	0	0	0	0	0	3
TOTALS	**2016**	**358**	**12**	**2**	**5**	**18**	**19**	**328**
	2017	**328**	**34**	**8**	**5**	**9**	**25**	**315**
	2018	**315**	**15**	**10**	**4**	**7**	**9**	**300**

Notes to Table 3

1 These tables reflect HHI's fiscal years (not calendar years)

- 2018 = May 2, 2018 to April 30, 2019
- 2017 = April 30, 2017 – May 1, 2018
- 2016 = May 01, 2016 - April 29, 2017

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

3 The "Outlets Opened" information in 2016 includes 8 new units and 4 units that were closed and re-opened during the 2016 fiscal year

Table No 4
Status of Company-Owned Outlets
For years 2016-2018

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Alabama	2016	3	0	1	0	0	4
	2017	4	0	0	0	0	4
	2018	4	0	0	0	0	4
Arkansas	2016	0	0	0	0	0	0
	2017	0	0	1	1	0	0
	2018	0	0	0	0	0	0
Florida	2016	0	0	0	0	0	0
	2017	0	0	2	0	0	2
	2018	2	0	0	0	0	2
Georgia	2016	7	0	1	0	0	8
	2017	8	0	1	0	0	9
	2018	9	0	7	2	0	14
Kansas	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Mississippi	2016	0	0	13	1	0	12
	2017	12	0	2	0	0	14
	2018	14	0	0	0	0	14
Missouri	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
South Carolina	2016	2	0	0	0	0	2
	2017	2	0	2	0	0	4
	2018	4	0	0	0	0	4
Tennessee	2016	0	0	2	0	0	2
	2017	2	0	3	2	0	3
	2018	3	0	0	0	0	3
TOTALS	**2016**	**12**	**0**	**19**	**1**	**0**	**30**
	2017	**30**	**0**	**9**	**3**	**0**	**36**
	2018	**36**	**1**	**7**	**2**	**0**	**42**

Notes to Table 4

1 These tables reflect HHI's fiscal years (not calendar years)
- 2018 = May 2, 2018 to April 30, 2019
- 2017 = April 30, 2017 – May 1, 2018
- 2016 = May 01, 2016 - April 29, 2017

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

Table No 5
Projected Openings as of May 1, 2019

State	Franchise Agreements Signed by Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	1	0	9
Arkansas	0	0	0
Florida	3	0	0
Georgia	6	1	4
Illinois	3	0	0
Indiana	1	1	0
Kansas	1	1	0
Kentucky	0	0	0
Louisiana	1	0	0
Maryland	1	0	0
Mississippi	0	0	2
Missouri	0	0	0
Nebraska	0	0	0
New Jersey	3	0	0
New York	0	0	0
North Carolina	0	0	0
Oklahoma	1	0	0
Pennsylvania	1	0	0
South Carolina	4	2	1
Tennessee	5	4	0
Texas	10	6	0
Virginia	3	0	0
West Virginia	1	1	0
Totals	**45**	**16**	**16**

Notes to Table 5

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

HHI in the past offered a "Huddle Thru" franchise It currently does not offer such Huddle Thru franchises HHI has one Huddle Thru unit, located at 7290 Ingersoll Street, Fort Benning, Georgia 31905 (706-683-0066)

The names, addresses and telephone numbers for each of HHI's current Standard Unit franchisees are listed in **Exhibit D** of this Disclosure Document The name, city and state, and current business telephone number (or last known home telephone number) for each of the Standard Unit franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with HHI during the most recently completed fiscal year and/or has not communicated with HHI within the past 10 weeks are also listed in **Exhibit D** of this Disclosure Document As described in Item 1, the current design model for a Huddle House Restaurant is referred to as the "Evolution" design HHI began using the Evolution design in 2011 and since July 2011, newly opened Huddle House Restaurant Units use the Evolution design and additional units have been remodeled with the Evolution design During HHI's most recently ended fiscal year (May 2, 2018 to April 30, 2019), the average age of the Units that closed during that year was 19 7 years old For the two prior fiscal years (to April 30, 2017 to May 1, 2018 and May 1, 2016 to April 29, 2017), the average age of the Units that closed during those years were, respectively, approximately 15 1 and 19 3 As of April 30, 2019, approximately 75% of the Huddle House Restaurants in the System have been remodeled or opened as Evolution design Units

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

In some instances during the last three fiscal years, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with the Huddle House System You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you

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

HHI's current policy is to provide a referral bonus to our franchisees in connection with the sale of franchises to new franchisees entering our System Under HHI's current policy, the referral bonus is ~~$3,000~~ $2,500 and will apply when a franchisee submits to HHI the name and contact information of a new franchisee candidate ("new" means that HHI has not received the candidate's name from another lead generation source during the prior six month), HHI determines that the candidate is qualified, and candidate purchases one or more franchise from HHI (by signing a franchise agreement and paying the franchise fee) within six months after the franchisee made the referral to HHI If more than one franchisee refers the same candidate to us, the referral bonus will be split between the referring franchisees

ITEM 21. FINANCIAL STATEMENTS

Attached as **Exhibit E** are the audited consolidated financial statements for Huddle House, Inc as of April 30, 2019 and May 1, 2018, and for each of the three years in the period ended and April 27, 2017 **Exhibit E** also contains the Independent Auditors' Report

ITEM 22. CONTRACTS

Attached as **Exhibit A** are HHI's standard contracts, and certain acknowledgments and receipts, including

A-1 Franchise Agreement
A-2 Market Development Agreement
A-3 Acknowledgements
A-4A Corporate Resolution
A-4B Certificate of Members (LLC)
A-5 Guaranty (Individual)
A-6A Shareholders Guaranty and Agreement
A-6B Members Guaranty and Agreement
A-7 Guaranty (Entity)
A-8 Training Agreement
A-9 Lease Agreement HHI Lessor
A-10 Collateral Assignment ~~Of~~of Lease
A-11 Promissory Note
A-12 Non-Disturbance, Subordination and Attornment Agreement
A-13 Revitalization Evolution Remodel Incentive Program Amendment

ITEM 23. RECEIPTS

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

EXHIBIT A

HUDDLE HOUSE STANDARD CONTRACTS

A-1 Franchise Agreement
A-2 Market Development Agreement
A-3 Acknowledgements
A-4A Corporate Resolution
A-4B Certificate of Members (LLC)
A-5 Guaranty (Individual)
A-6A Shareholders Guaranty and Agreement
A-6B Members Guaranty and Agreement
A-7 Guaranty (Entity)
A-8 Training Agreement
A-9 Lease Agreement HHI Lessor
A-10 Collateral Assignment Of Lease
A-11 Promissory Note
A-12 Non-Disturbance, Subordination and Attornment Agreement
A-13 Revitalization Evolution Remodel Incentive Program Amendment

HUDDLE HOUSE

FRANCHISE AGREEMENT

COPYRIGHT 2019
HUDDLE HOUSE, INC

Franchisee	FRANCHISEE NAME a STATE ENTITY TYPE
Principal business address	FRANCHISEE STREET ADDRESS FOR NOTICES FRANCHISEE CITY, STATE 00000
Huddle House Unit #	#_____
Unit City, State	_____, _____

Effective Date of this Franchise Agreement _____

FRANCHISE AGREEMENT

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

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

1 PARTIES AND RECITALS

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

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

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

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

2 GRANT OF FRANCHISE

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

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

(i) The rights granted herein relate solely to the Premises and the Unit thereon, and afford Operator no right to construct or operate any additional, expanded or modified facilities on the Premises, nor any right to construct or operate the Franchised Business at any location other than the Premises Operator further acknowledges and agrees that this Agreement shall not give Operator the right to enter into subfranchise, contract manager or similar agreements regarding the operation of any unit utilizing the Huddle House System

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

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

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

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

(i) To own, acquire, establish, and/or operate and license others to establish and operate, Huddle House Units under the Huddle House System at any location (a) outside of the Territory, or (b) inside the Territory on food trucks and other mobile units and in arenas, sports stadiums, sports complexes, shopping malls, food courts, department stores, retail stores, hotels, casinos, amusement parks, arcades, theaters, bowling centers, festivals, fairs, schools, colleges, national parks, state and local parks, public beaches, convention centers, conference centers, factories, hospitals, penal institutions, airports, train stations, public transit stations, cruise ship ports, turnpikes, military bases, government buildings, office complexes, high-rise apartment buildings, senior living facilities, Indian reservations,

and other premises where the primary activity conducted at the premises is other than the retail sale of food prepared for immediate consumption ("**Non-Traditional Restaurants**"), notwithstanding such Huddle House Unit's proximity to, or impact on, the Franchised Business,

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

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

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

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

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

3 TERM

(a) Initial Term Except as provided herein, the initial term of this Agreement ("**Initial Term**") shall commence on the Effective Date, and unless sooner terminated in accordance with the provisions hereof, shall expire fifteen (15) years from the Effective Date or as otherwise set forth on Exhibit B hereof if a predetermined date

(b) Renewal Terms Provided Operator is not in default under this Agreement or any other agreements with Company, both at the time of notice and prior to renewal, and has complied with all of their provisions during the Initial Term, including without limitation the timely payment of all fees,

Operator may renew the rights to operate the Franchised Business for three (3) additional terms of sixty (60) months each (the "**Renewal Terms**") Prior to the first day of each of the Renewal Terms, Operator shall pay to Company a renewal fee equal to twenty-five percent (25%) of the then current initial franchise fee charged by Company and comply with Company's then current terms and conditions for granting renewal franchises, which may include (i) execution of Company's then current form of franchise agreement which will supersede this Agreement in all respects (except with respect to the number of renewal terms, which will not supersede this Section 3), and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and marketing contribution or other changes in the fee structure, and (ii) a requirement that Operator perform such remodeling, repairs, replacements and redecoration in and upon the Premises, and upon the equipment and furnishings of the Unit to conform to then current standards Company will not be obligated to offer or grant Operator an additional renewal agreement upon the expiration (or termination) of any renewal agreement with Company following the renewal terms specified above

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

4 OPERATING ASSISTANCE

(a) Assistance Prior to Commencement of Business Prior to Operator's commencement of business, Company will provide Operator with the following

(i) Up to forty (40) days of training (or such other amount of time as Company may deem appropriate, in its sole right and discretion) in the operation of the Franchised Business prior to its opening for Operator and/or its designated managerial personnel selected by Operator and approved by Company Such training shall be conducted exclusively by Company or its designee at a site to be designated by Company, provided, however, Operator shall (1) pay Company's then-current initial training fee or tuition, which is due in full to Company before Operator begins construction of the Unit at the Premises, and (b) be responsible for and pay all costs and living expenses during and in connection with such training,

(ii) Such on-Premises pre-opening or opening assistance by Company or its representative(s) in the initial operation of the Franchised Business as Company may, in its discretion, deem appropriate, but in any event not to exceed fourteen (14) days,

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

(iv) One (1) set of the Confidential Operations Manual (as hereinafter defined)

(b) Assistance During Term During the term hereof, Company shall continue its efforts to maintain standards of quality, appearance and service at all Huddle House Units, thereby maintaining the public image and reputation of the Huddle House System and the demand for the products and services

provided thereunder, and to that end Company may in its sole right and discretion, provide Operator with such of the following as Company shall deem appropriate

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

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

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

(iv) Periodic evaluations of the Premises and other Huddle House Units and of the products and services they offer

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

(i) the standards throughout the Huddle House System as set forth in Section 7 of this Agreement, and

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

5 FEES

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

(b) Continuing Fee In return for the rights and licenses granted under this Agreement and the continuing services of Company, at all times after the commencement of operation by Operator, Operator shall pay to Company a weekly continuing fee equal to four and three-quarters percent (4 75%) of the Net Sales (as hereinafter defined) Operator acknowledges and agrees that the foregoing continuing weekly fee is fully earned by Company upon payment, and is actual and necessary for Operator's use of the Huddle House System and Licensed Marks

(c) Manner of Payment Unless otherwise provided, all fees and other amounts due to Company hereunder shall be paid in the manner designated by Company in the Confidential Operations Manual, and such payments shall be accompanied by the statement required under Section 11 of this Agreement In no way limiting the foregoing, Company requires Operator to establish an arrangement for electronic funds transfer or deposit of any payments required hereunder, and shall execute such authorization form as Company may prescribe

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

(i) For any overdue royalty, fee, or any other amount due except for rent payment, Operator shall pay Company immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of one and one-half percent (1 5%) per month, or the maximum rate permitted by law, whichever is less,

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

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

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

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

(g) Extraordinary Expenses Operator shall pay all expenses incurred in the preparation of franchise documents, other legal documents and all other matters which are incurred due to the use of attorneys or others, who are not employees of Company and are utilized by Company, in its sole right and discretion, for the preparation of documents and other matters done specifically for Operator's franchise, such documents or other matters being peculiar to Operator's franchise

(h) Advertising Fund Company has established an advertising fund, as defined in Section 8(b) Operator shall be required to make a weekly contribution to the Fund, which contribution shall be made as and when the weekly continuing fee required under Section 5(b) is paid, in an amount equal to three percent (3 0%) of the Net Sales The amount of such contribution under Section 8(b) may increase, at Company's discretion, to an amount not to exceed four percent (4 0%) of the Net Sales, provided, however, that the amount shall not increase by more than one percent (1%) during a consecutive twelve (12) month period

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

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

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

lack of reported information available to Company, and additional efforts for Company's administration of its standards Payment of fees under this paragraph will not constitute a cure of the underlying default or a penalty to Operator, and Operator shall remain obligated to cure the default according to the terms of this Agreement Company's right to demand payment of fees under this paragraph shall be in addition to all other remedies of Company set forth in this Agreement, except that with respect to a delinquent or missing report, Company shall have the right to assess either a monthly fee under this Section 5(k) or a per document fee under Section 11(f) below

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

6 LICENSED MARKS

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

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

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

Operator agrees to execute any and all documents and to do such acts and things as may, in the opinion of Company's legal counsel, be reasonably necessary to carry out such defense or prosecution

(d) Limitations on Use of Licensed Marks Operator further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Company, to adopt and use the Licensed Marks solely in the manner prescribed by Company, to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Company to liability therefore, to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Operator's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Company with a copy of any such application and other registration document(s), to observe such requirements with respect to trademark and service mark registrations and copyright notices as Company may, from time to time, require, including, without limitation, affixing "SM", "TM", or "®" adjacent to all such Licensed Marks in any and all uses thereof, and, to utilize such other appropriate notice of ownership, registration and copyright as Company may require

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

7 STANDARDS OF OPERATION

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

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

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

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

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

(iv) In addition to the terms of Section 7(a)(iii) above, if the Premises will be leased by an entity that is under common control with or affiliated with Operator or its Interest Holders (an "**Affiliated Lessor**"), the Collateral Assignment of Lease must specify that, if Company exercises its rights to take over the Premises, the rent payable by Company to the Affiliated Lessor for the Premises will be fair market rent value, provided that in no event will the rent exceed eight percent (8%) of Net Sales per month based on the average monthly Net Sales of the Unit during the previous twelve (12) months (and to the extent the rent otherwise to be charged exceeds the fair market value, then Operator shall be responsible for payment of the amount in excess of the fair market value) If Company and Affiliated Lessor have not agreed upon a fair market value within seven (7) days of Company's notice of its intent to exercise its rights to take over the Premises, then by mutual agreement of Company and Affiliated Lessor within seven (7) days of the expiration of such period, Company may appoint an appraiser to determine fair market rent If Company and Affiliated Lessor cannot mutually agree upon one appraiser, Company, within seven (7) days thereafter, shall notify Operator of the names of two appraisers or firms having the capacity to perform or engage others to appraise the fair market rent for the Premises Affiliated Lessor shall select, within seven (7) days after such notification by Company, one of such appraisers or firms to be responsible for determining fair market rent value, otherwise, Company shall select one such appraiser or firm to be responsible for determining fair market value and such appraiser's or firm's decision shall be binding Company and Affiliated Lessor shall divide equally the cost of any appraiser or firm Within ten (10) days after Company has been notified of the fair market rent value, Company may exercise its option to rent the Premises by notice to Operator

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

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

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

(b) Permits and Certifications At least ten (10) days prior to the commencement of business to the public, Operator shall submit to Company all permits and certifications as may be required for the lawful operation of the Franchised Business, together with copies of any building inspection reports and

certifications from all governmental authorities having jurisdiction over the Premises and the Franchised Business that all necessary permits have been obtained and that all requirements for construction and operation have been met

(c) Fixtures, Equipment, Supplies and Signs All fixtures, equipment and supplies for the Franchised Business selected by Operator must meet the quality System standards set forth in Company's Confidential Operations Manual or otherwise in writing, subject to compliance with applicable laws and regulations Subject to any applicable local zoning or regulatory requirements, Operator shall acquire by lease or purchase all signs as required by Company at any time and from time to time for use at or in connection with the Franchised Business including signs containing or displaying the Licensed Marks including new, modified or replacement Licensed Marks

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

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

(ii) Company reserves the right to grant extensions of the Opening Deadline at Company's sole right and discretion in the event that Operator has complied (in Company's opinion) with all of the terms and conditions herein and has, in good faith, diligently pursued the construction of the Unit according to the terms of this Agreement Additionally, Operator may apply to Company, in writing, for an extension of the Opening Deadline Operator 's written application for an extension must be submitted not fewer than thirty (30) days in advance of the Opening Deadline and specify the reasons

for the requested extension and specify a proposed revised opening date for the Unit, which shall not exceed six (6) months Operator has no rights to receive an extension of the Opening Deadline, and Company will have the right to determine whether to grant an extension No extension will be effective unless and until Company provides its written approval, and Operator has paid to Company an extension fee in an amount equal to Five Thousand Dollars ($5,000) per month of the extension period granted by Company Company's decision to extend the Opening Deadline shall not, absent a written agreement, renew or extend any deadline with respect to any other Huddle House Restaurant that Operator (or any affiliate) may develop under other agreements with us

(e) Security Deposit Prior to beginning construction of the Unit at the Premises, Operator shall deposit with Company as a security deposit the sum set forth on Exhibit B hereto plus such other sums as required by this Section 7(e) ("**Security Deposit**") as security for the full and faithful performance by Operator of all the terms and conditions of this Agreement required to be performed by Operator Company may, but shall not be required to, use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any sums which Operator may owe to Company, whether due pursuant to the terms of this Agreement or otherwise, or for any sum which Company may expend or may be required to expend by reason of Operator's default in respect to the terms of this Agreement or any other agreement Whenever the amount of the Security Deposit is reduced below the sum designated on Exhibit B as the Security Deposit by reason of Company's use, application or retention thereof, Operator shall deliver to Company additional cash sufficient to restore the sum on deposit to the amount set forth on Exhibit B hereto, and failure to do so within five (5) days of demand from Company shall have the same consequences as failure to pay any other sums required to be paid by this Agreement

In the event that Operator fails to pay any financial obligation due Company and receives written notice from Company that any such obligations are delinquent on one or more occasions during the term of this Agreement including renewals, if any, Operator shall upon written notice by Company within five (5) days deliver to Company an additional Five Thousand Dollars ($5,000) to Fifteen Thousand Dollars ($15,000) as specified by Company, to become a part of the Security Deposit and thereafter the amount required to be maintained as the Security Deposit shall be the sum set forth on Exhibit B hereto plus such additional amount as Company requires pursuant to this Section 7(e) Company's right to demand that the Security Deposit be increased as described in the preceding sentence shall be in addition to all other remedies of Company set forth in this Agreement Company while holding the Security Deposit shall be entitled to commingle such deposit with its own funds and to use such sums for such purposes as Company may determine Operator shall not be entitled to any interest on the Security Deposit In the event that Operator shall comply with all of the terms of this Agreement, and of all other agreements with Company, the balance of the Security Deposit shall be returned to Operator after expiration of this Agreement and the return to Company of all property in Operator's possession belonging to Company In the event of an assignment of this Agreement by Company, Company shall have the right to transfer the Security Deposit to the assignee and Company shall thereupon be released from all liability for the return of all or any part of the Security Deposit Operator shall not assign or encumber the Security Deposit, neither shall Company nor its successors or assigns be bound by any such assignment or encumbrance Failure to deliver the initial Security Deposit or additional amounts as described above to Company shall have the same consequences as failure to pay any other sums required to be paid by this Agreement

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

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

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

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

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

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

(i) Training Program

(i) Prior to the commencement of business to the public, three (3) managerial personnel (one of whom may be Operator if Operator is an individual) who are acceptable to Company shall complete, to Company's reasonable satisfaction, any and all training programs as Company may reasonably require Additionally, if either (a) Operator is an individual but will not become trained and certified as a designated manager, or (b) Operator is an entity and none of its Owners will become trained and certified as a designated manager as described above, then at least one (1) Owner must attend the initial training program designated by Company for non-manager operators, which as of the Effective Date consists of approximately four (4) days of training at or in a Huddle House Unit designated by Company and three (3) days of classroom training at Company's headquarters

(ii) If any trainee fails to complete the required initial training program to Company's satisfaction, Company shall notify Operator of such failure and Operator shall designate a

substitute trainee If Operator fails to designate a substitute trainee, or if the substitute trainee fails to complete the training to Company's satisfaction, Company may, at its sole right and discretion, elect to terminate this Agreement, in which event Operator shall be entitled to receive a refund of the initial franchise fee less an amount equal to (i) fifty percent (50%) of the initial franchise fee paid by Operator and received by Company, plus (ii) any costs and expenses incurred by Company in training Operator and its managerial personnel or any expenses incurred by Company in connection with its review, acceptance and supervision of the development of such Unit, which in no event shall be less than Two Thousand Five Hundred Dollars ($2,500 00) Any such refund shall be in full and complete satisfaction of Company's obligations to Operator Furthermore, Operator acknowledges and agrees that the refund to Operator, as described above, is conditioned upon Operator's execution of a general release in a form prescribed by Company, of any claims or causes of action that Operator may have against Company under or pursuant to this Agreement or otherwise

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

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

(j) Use of Premises Operator agrees to use the Premises solely for the operation of the Franchised Business in the manner and pursuant to the System standards prescribed herein, in the Confidential Operations Manual or otherwise in writing, and to refrain from using or permitting the use of the Premises for any other purpose or activity at any time Without limiting the generality of the foregoing, Operator agrees that no alcoholic beverages shall be sold, consumed or possessed on the Premises Additionally, as described in Section 2(b) herein, Operator may engage in Catering and delivery, but only in accordance with the terms and conditions stated in this Agreement and in the Confidential Operations Manual, or as otherwise in writing by the Company

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

(l) Operation of Unit Operator agrees to operate the Franchised Business in an ethical and professional manner at all times, including providing prompt and courteous service to all customers and treating all of its employees, invitees, and Company representatives with respect and professionalism In particular, Operator shall use, adopt, maintain, and comply with the System standards of quality, appearance and operation for the Franchised Business as Company has or may establish and modify from time to time Operator shall at all times staff the Franchised Business with such number of employees and otherwise operate the Franchised Business diligently so as to maximize the revenues and profits therefrom Operator shall at all times sell food products designated on the standard Company menu prepared from time to time by Company and shall not, without the prior written consent of Company, at any time sell any product (food or non-food) which does not appear on such menu Operator shall, at all times, conform strictly to the method of preparation designated by Company, including, without limitation, food preparation, cooking and serving, maintenance and cleaning procedures, bookkeeping methods and similar items All paper goods and pre-packaged good items unique to the Huddle House System and used by Operator which can be seen by the public shall bear an approved Licensed Mark as required by Company in its sole right and discretion No part of the Premises shall be leased by the Operator to any other party without Company's prior written consent

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

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

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

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

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

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

(ii) Operator shall permit Company's agents or representatives to remove from the Premises samples of any ingredients, products, materials, supplies, and expendables without payment therefor in amounts reasonably necessary for testing, review and evaluation by Company or an independent certified laboratory to determine whether such samples meet Company's then current standards and specifications, with no liability to Operator for any damage to such samples as a result of such testing, review and evaluation In addition to other remedies that Company may have under this Agreement, Company may require Operator to bear the cost of such testing, review and evaluation if the supplier from which such ingredients and products were acquired has not been approved by Company or

if the sample fails to conform to Company's specifications Upon notice from Company or its agents, Operator shall take such steps as may be necessary immediately to correct any deficiencies detected during any inspection or by such testing, review and evaluation, without limitation, immediately ceasing to use any methods, ingredients, products or advertising materials which do not conform to Company's then current specifications, standards or requirements

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

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

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

(ii) To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables, including paper goods, as conform with Company's then current

standards and specifications, and to refrain from using non-conforming items without Company's prior written consent,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(w) Changes to System Operator acknowledges that the Huddle House System must continue to change in order to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the Huddle House System may be required from time to

time in order to preserve and enhance the public image of the Huddle House System and to ensure the continuing operational efficiency of Huddle House Units generally Accordingly, Operator agrees that Company may from time to time hereafter, upon reasonable notice, and acting reasonably, add to, subtract from or otherwise change the Huddle House System, including, without limitation, the adoption and use of new or modified Licensed Marks, products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food products and services Operator agrees to promptly accept, implement, use and display in the operation of the Franchised Business all such additions, modifications and changes at its sole cost and expense

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

(y) Management of Unit by Company Operator hereby grants to Company the right, but not the obligation, to immediately take such steps as are necessary to manage the Franchised Business for the account of Operator in the event of the death of, or reasonable determination by an independent third party (such as a medical doctor) as to the physical incapacity or mental incompetency of the Operator or the Interest Holder who is managing the Unit on behalf of Operator, until such time as Operator has satisfied the conditions set forth in Sections 7(x) and 13(g) of this Agreement Operator agrees to hold Company and its respective directors, officers, agents, employees, attorneys and shareholders harmless from all claims or damages arising out of or connected with Company's management of the Franchised Business Operator shall pay Company in addition to all other amounts due pursuant to the terms of this Agreement a fee of eight percent (8%) of the Net Sales, plus costs during the period in which the Franchised Business is so managed by Company

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

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

the Unit are separate from, and in addition to, any requirements that Company may impose on Operator for purchasing DOT road signs and billboard advertising under Section 8(a)(vii) below

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

(cc) Managers Used by Operator Operator will not allow any manager, or other person with management authority in the operation of the Franchised Business, employed in the Unit to either establish and/or participate in the operation of, or own an interest in, another restaurant which serves breakfast at times other than the hours of 6 00 a m - 11 00 a m while employed in any capacity with the Franchised Business Operator shall obtain, and upon request of Company shall furnish to Company, covenants executed by all such persons setting forth such restrictions Every covenant required by this Section 7(cc) shall be in a form approved by Company, including specific identification of Company as a third-party beneficiary of such covenants with the independent right to enforce them When Operator becomes aware of such, by whatever means, Operator will give the manager and/or employee written notice that they must separate themselves completely from the other restaurant(s) within thirty (30) days or else Operator must refrain from using that individual in a managerial role In the event the manager and/or employee has failed to comply with this separation at the end of this thirty (30) day period, then in that event, Operator agrees to immediately refrain from using such person in a managerial role Operator's failure to comply with such requirements shall be an event of default in accordance with Section 14 of this Agreement

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

(ee) Change in Ownership Operator agrees to advise Company of any change in ownership of assets used in conjunction with the Franchised Business that are owned or controlled by Operator An asset includes, without limitation, the Equipment, Signs, Building, Land or Easement regardless of

ownership Failure of Operator to perform the above shall result in an event of default in accordance with Section 14 of this Agreement

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

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

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

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

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

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

(iv) Operator agrees to comply with Company's requirements concerning data collection and protection, which may include requirements for Operator to install and maintain security measures and devices to protect data from unauthorized access, disclosure or loss, according to industry-standards or such other standards and specifications that Company may designate in the Confidential Operations Manual Without limiting the foregoing, Operator agrees to comply with the then-current Payment Card Industry Data Security Standards ("**PCI Standards**") as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www pcisecuritystandards org), or any

successor organization or standards that Company may reasonably specify Among other things, Operator agrees to implement the enhancements, security requirements, and other changes to the PCI Standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards Operator acknowledges that compliance with PCI Standards is a minimum requirement, and that compliance does not guarantee that no security breach will occur In the event of a security breach (including a suspected security breach), Operator agrees to promptly notify the Company, promptly comply with applicable laws and any instructions that Company may issue regarding data security and data breaches, including regarding responses to customers or the general public to a security breach (which guidance and instructions may be provided in the Confidential Operations Manual or directly to Operator in the event of a breach), and to fully cooperate with, and respond to, any investigations by Company relating to the breach Without limiting the foregoing, Operator acknowledges and agrees that Company shall have the right, but not the obligation, to directly, or through a designated service provider, conduct any investigations regarding the security breach Operator acknowledges and agrees that any claims, losses or expenses incurred by Company arising from or related to a security breach will be subject to Company's indemnification obligations under Section 18(a) of this Agreement

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

(jj) Conferences Company may conduct an annual conference or periodic system wide or regional conferences, seminars, or meetings (collectively "**Conference(s)**") at such place as Company designates for operators of Huddle House Units Operator, an Owner or an individual designated by Operator and approved by Company must, at Operator's expense attend any Conference Company may specify as mandatory If Operator, an Owner, or other approved individual fails to attend a mandatory Conference and Operator does not obtain Company's prior written waiver of attendance at such Conference, Operator agrees to pay to Company a fee of Two Thousand Five Hundred Dollars ($2,500) for non-attendance at such Conference The fee will be due and payable at the same time as Operator's weekly continuing fee under Section 5(b) for the week immediately following the missed Conference The required fee is in addition to any remedy that Company has for Operator's default under this Agreement for failing to attend the mandatory Conference

8 ADVERTISING AND MARKETING

(a) Advertising Program

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

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

involving customers and prospective customers of the Units, and any other market research and customer satisfaction evaluation deemed appropriate by Company

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

(iv) Operator shall spend on a quarterly basis (or such other time period as Company may reasonably specify) at least one-half percent (0 5%) of the Net Sales on local advertising and promotional activities (the "**Local Advertising Requirement**"), except during any periods that Company requires Operator contribute these monies to the Fund as described in Sections 8(a)(v) and 8(a)(vi) below Operator shall account for such expenditures on a routine basis and shall prepare and maintain, in accordance with the schedules and procedures specified by Company from time to time, detailed reports describing the amount of money expended on local advertising and promotion during such period Operator shall submit, on or before the tenth (10th) day of the following quarter, all such statements, reports and records as Company may specify to evidence Operator's compliance with the Local Advertising Requirement The term "local advertising and promotional activity" shall refer to advertising and promotion related directly to the Franchised Business, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), approved DOT road signs and billboard advertising, and such other activities and expenses as Company may specify Company may provide to Operator, in the Confidential Operations Manual or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotional activities," including the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations which do not qualify

(v) Company has the right, at any time(s) during the Term of this Agreement, to require that, in lieu of Operator directly spending monies on local advertising to satisfy the Local Advertising Requirement, Operator will instead contribute such amounts to the Fund for use under the terms of Section 8(b) below If Company makes such an election, Company will notify Operator in writing at least thirty (30) days in advance of such change Company and Operator agree that (a) Company has the right to make an election under this Section 8(a)(v) on a temporary or permanent basis,

(b) amounts that Operator must contribute to the Fund under this Section 8(a)(v) are in addition to contributions that Operator must make to the Fund under Sections 5(h) and 8(b) for the same period(s), and (c) during any periods that Operator makes contributions under this section as required by Company, Operator will not be required to make expenditure under the Local Advertising Requirement for the same period(s), except as described in Section 8(a)(vi) below If Operator was in default of its Local Advertising Requirement at the time that Company elects to require contributions to the Fund under this section, Operator shall also contribute to the Fund the monies Operator had failed to spend to satisfy the Local Advertising Requirement, which amounts will permanently become part of the Fund

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

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

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

(i) Company shall choose and determine, in its sole right and discretion, the type, quantity, timing, placement and choice of media, areas of coverage, and the agencies and services that may be used to conduct advertising or promotional activities Operator acknowledges and agrees that the Fund will be administered by Company to promote general public recognition and awareness of the Huddle House System, and that Company has no obligation to administer the Fund to ensure that any particular franchisee, including Operator, benefits directly or pro rata from amounts contributed to the Fund by Operator

(ii) The Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing

marketing, advertising, public relations, and/or promotional programs and materials, and any other activities that Company believes will enhance the image of the Huddle House System, including, among other things, the costs of preparing and conducting marketing campaigns through television, radio, magazine, newspaper or other media, direct mail advertising, marketing surveys and other public relations activities, employing third-party agencies to support marketing, advertising and public relations, consumer and product research and development, marketing technology, sponsorship of organizations and events, including meetings for the Huddle House System, developing and maintaining Online Sites (as defined in Section 8(c)(except for the portion, if any, specifically relating to soliciting franchisees), purchasing promotional items, conducting and administering in-store promotions, product research and other surveys, providing promotional and other marketing materials and services to the Huddle House Units operating under the Huddle House System, and providing rebates or reimbursements to franchisees for local expenditures on products, services, or improvements as approved by Company The Fund shall be responsible for the administrative costs incurred in relation to the management of the Fund

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

(iv) Upon written request from Operator, Company shall provide to Operator an unaudited statement within one hundred twenty (120) days from Company's fiscal year end of how the amounts contributed to the Fund were used in Company's most recent fiscal year

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

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

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

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

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

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

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

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

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

(e) Company may require Operator to make Company the sole administrator (or co-administrator or other designee with rights to control the site) of any social networking pages that Operator maintains or that are maintained on Operator's behalf, and Company will have the right (but not

the obligation) to exercise all of the rights and privileges that an administrator (or co-administrator or other designee with rights to control the site) may exercise, and may require that Operator relinquish passwords relating to any Online Site promoting the Franchise Business or otherwise relating to or using the Licensed Marks

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

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

(e) Participation in System-wide Programs, Marketing and Advertising In no way limiting any other obligation of Operator under this Section 8, Operator must participate in all Huddle House marketing initiatives that Company offers to, or designates for, franchisees and the consuming public These initiatives may include advertising through all media channels including, but not limited to, on-line social media, electronic media, print, outdoor, digital media and public relations, promotional activity including, but not limited to, in-store programs and community programs, programs and services for frequent customers, loyalty programs, which may include providing discounts or complimentary products or menu items, discounts or other offers communicated to customers via any distribution method, online ordering and delivery activities, use and promotion of Gift Cards and Incentives (as provided in Section 7 3(gg) above), coupons and other promotional programs, and charitable fundraising and donation programs and related activities In no way limiting the foregoing, Operator will follow Company's requirements and guidelines concerning the use, acceptance and reimbursement of Gift Cards and Incentives, coupons and other promotional programs as Company sets forth from time to time in the Confidential Operations Manual or otherwise communicates Company may use, or require Operator to use, designated third-party service providers to carry out such programs (which may include, without limitation, required payment of fees and purchase and use of additional equipment and services) Company may periodically formulate, develop, produce, and conduct, in its sole right and discretion, marketing or promotional programs in such form and media as Company determines to be most effective and Operator is required to participate

9 CONFIDENTIAL OPERATIONS MANUAL AND FOOD PURCHASING MANUAL

(a) Operation in Accordance With Manuals In order to protect the reputation and goodwill of the businesses operating under the Huddle House System and to maintain standards of operation under the Licensed Marks, Operator shall conduct the Franchised Business operated under the Huddle House System in accordance with various written instructions and confidential manuals, each of which may be set forth in several volumes, including such amendments thereto, as Company may publish from time to time (hereinafter and previously referred to as the "**Confidential Operations Manual**" and the "**Food Purchasing Manual**"), all of which Operator acknowledges belong solely to Company and shall be on loan from Company during the term of this Agreement Additionally, Operator acknowledges and agrees that Company may provide a portion or all (including updates and amendments) of the Confidential

Operations Manual, Food Purchasing Manual, and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer disks, the Internet or an Extranet Operator shall at all times use reasonable safeguards to ensure that these materials, both in electronic and other formats, are kept confidential and secure When any provision in this Agreement requires that Operator comply with any standard, specification or requirement of Company, unless otherwise indicated, such standard, specification or requirement shall be such as is set forth in this Agreement or as may, from time to time, be set forth by Company in the Confidential Operations Manual and the Food Purchasing Manual, or otherwise in writing by the Company As used in this Section 9(a), the phrase "otherwise in writing by the Company" is deemed to include all written or recorded communications made by the Company through any means including, but not limited to, letters, pamphlets, forms, memoranda, flyers, handouts, promotional materials, and the like, whether presented in hard-copy printed materials or via electronic formats, and all such items will become part of the Confidential Operations Manual and/or Food Purchasing Manual, as applicable, upon issuance by Company

(b) Revision of Manual Operator understands and acknowledges that Company may, from time to time, revise and/or supplement the contents of the Confidential Operations Manual and/or the Food Purchasing Manual to implement new or different requirements and/or standards for the operation of the Franchised Business, and Operator expressly agrees to comply with all such changed requirements which are by their terms mandatory The implementation of such requirements may require the expenditure of money by Operator

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

10 CONFIDENTIAL INFORMATION

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

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

otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source

11 STATEMENTS AND RECORDS

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

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

(ii) Company and its designated agents shall have the right to examine and audit such records, accounts, books and data at all reasonable times to ensure that Operator is complying with the terms of this Agreement If such inspection discloses that the Net Sales during any month actually exceeded the amount reported by Operator as its Net Sales by an amount equal to one and one-half percent (1 5%) or more of the Net Sales originally reported to Company, Operator shall bear the cost of such inspection and audit In any event, Operator shall pay any such deficiency discovered by the audit with interest from the date due at the lesser of twelve percent (12%) per annum of such overdue amount or the highest rate permitted by applicable law, immediately upon the request of Company This interest payment shall be in lieu of the service charge specified in Section 5(d) hereof Otherwise, entitlement to such interest shall be in addition to any other remedies Company may have, and

(iii) Operator shall notify Company of any investigation or audit initiated by any agency or other governmental instrumentality concerning the financial operation or reporting of sales or taxes paid pursuant to the operation of the Franchised Business and will allow Company access to the results of any such investigation or audit In the event such investigation or audit should indicate that Operator shall have under-reported its Net Sales to Company in an amount greater than one and one-half percent (1 5%) then, and in that event, Company shall be entitled to all remedies available under the terms of this Agreement or applicable Law for such under-reporting

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

(c) Tax Returns Upon Company's request, Operator shall furnish Company with a copy of each of its reports and returns of sales, use and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business including, without limitation, Form 941-Employers Quarterly Federal Tax Returns or other tax returns or forms from which

it may be possible to determine the amount of income reported, and insurance premiums and other expenses incurred, all of which Operator shall certify as true and correct

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

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

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

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

12 COVENANTS

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

(b) Understandings Operator acknowledges and agrees that (a) pursuant to this Agreement, Operator will have access to valuable trade secrets, specialized training and Confidential Information from Company and Company's affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the Huddle House System, (b) the Huddle House System and the opportunities, associations and experience Company has established and that Operator will have access to under this Agreement are of substantial and material value, (c) in developing the Huddle House System, Company and Company's affiliates have made and continue to make substantial investments of time, technical and commercial research, and money, (d) Company would be unable to adequately protect the Huddle House System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in the Huddle House System if franchisees were permitted to hold interests in any Competitive Business (as defined below), and (e) restrictions on Operator's right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder Operator's activities "**Competitive Business**" is defined as any family style restaurant, pancake house, buffet serving breakfast, or diner, or any other table-service food service operation that sells pancakes or waffles or derives more than twenty five percent (25%) of its total sales from sit down breakfast items

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

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

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

(iii) With respect to any person who is then employed by Company at Company's headquarters or distribution center as an executive, manager, field supervisor, or other position receiving Huddle House specialty training, solicit such person to leave his or her employment with Company for employment by Operator without Operator first obtaining the consent of Company In addition to any other rights and remedies available to Company under this Agreement, in the event of a violation of this Section, Company will have the right to require Operator to pay to Company an amount equal to Forty Thousand Dollars ($40,000) as liquidated damages and not as a penalty and to compensate for damages caused by such violation Operator and Company agree that it would be impracticable to determine

precisely the actual damages to Company due to a violation of this Section 12(c)(iii), as such damages could arise from various factors including increased workloads for Company Employees, reduced efficiency of Company's operation and management, and increased expenditures to locate, hire and train personnel to replace the Company's employee hired by Operator in violation of this Section 12(c)(iii) The liquidated damages amount set forth hereinabove is a reasonable best estimate made by the parties hereto of such damages and is for the purpose of compensating for all such damages, and

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

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

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

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

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

(h) Personal Covenants At Company's request, Operator must require and obtain execution of covenants similar to those set forth in Sections 6(a), 10, 13, 15, and this Section 12 (as modified to apply to an individual) from any or all of the following persons (1) the designated manager and any other managerial personnel that attend the Company's training course, (2) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Operator, and of any corporation directly or indirectly controlling Operator, if Operator is a corporation, and (3) the general

partners (including any corporation, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general partner), if Operator is a partnership Every covenant required by this Section 12(h) must be in a form satisfactory to Company, including, without limitation, specific identification of Company as a third party beneficiary of such covenants with the independent right to enforce them Operator's failure to obtain execution of a covenant required by this Section 12(h) will constitute a default under Section 14(c) below

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

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

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

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

13 TRANSFER AND ASSIGNMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) The Operator shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company, its parent, subsidiaries, affiliates and

their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement,

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

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

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

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

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

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

(x) Without limiting the above, in order to carry out a transfer under this Section13(d), and regardless of whether Company requires the transferee to sign a new form of franchise agreement or permits the transferee to assume this Agreement under Section 13(d)(vii) above, Operator and the proposed transferee shall execute, at Company's election, an assignment agreement and/or any other documents as Company may deem necessary or desirable to reflect the terms and conditions of the transfer and the manner in which Operator and/or the proposed transferee will satisfy all conditions required for Company's approval of the transfer under this Section 13 Operator further acknowledges and agrees that if, notwithstanding Company's right to withhold approval of a transfer unless and until the

transferee has completed all training and management staffing requirements of Sections 13(d)(viii) and (ix) to Company's full satisfaction, Company, in its sole determination, agrees to permit the transfer to proceed prior to the transferee's satisfaction of all training and/or management staffing requirements, the conditions that Company may impose on its approval will include such terms as Company deems appropriate to ensure the proper operations of the Unit until such time as transferee completes all such requirements to Company's satisfaction Such additional terms may include, without limitation Operator remaining obligated for proper operation of the Unit until the transferee satisfactorily completes all such training and management staffing requirements, the transferee entering into a management agreement with Operator (or such Owners of Operator as who are fully trained and approved as managers by Company) with terms relating to the Unit's operation as are reasonably acceptable to Company, and/or Operator and transferee entering into escrow arrangements relating to the transfer until such time as Company provides written notice that such training and management requirements have been completed to Company satisfaction If an escrow arrangement is required pending the completion of the transfer conditions, Company may require the use of an escrow agreement and/or agent that Company designates or approves in writing

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

(i) Public Offerings All materials for an offering of stock or partnership interests in Operator or any affiliate of Operator which are required by federal or state law shall be submitted to Company for review as described below before such materials are filed with any government agency Any materials to be used in any exempt offering shall be submitted to Company for such review prior to their use No offering by Operator or any affiliate of Operator shall imply (by use of the Licensed Marks or otherwise) that Company is providing legal or accounting advice, that Company is participating in an underwriting, issuance, or offering of the securities of Operator or Operator's affiliates, that Company has undertaken due diligence to verify the accuracy of the statements in the materials, except that Company has reviewed the materials solely with respect to the relationship between Company and Operator and any subsidiaries and affiliates, if applicable, that Company has determined that the securities are a suitable investment for the potential investors to which the securities are offered Any review of the offering materials and approval by Company to conduct the offering, shall be for Company's sole benefit, and are not intended for the benefit of any other party, including, but not limited to, the offeror and any prospective investor At its option, Company may require the offering materials to contain written statements or disclaimers prescribed by Company including, but, not limited to, any limitations stated above in this section Operator (and the offeror if not Operator), the Interest Holders, and all other participants in the offering must fully indemnify Company, its affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering For each proposed offering, Operator shall pay Company a non-refundable fee of Ten Thousand Dollars ($10,000) or such greater amount as is necessary to reimburse Company for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering Operator shall give Company written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 13(e) commences Any such offering shall be subject to all of the other provisions of this Section 13, and further, without limiting the foregoing, it is

agreed that any such offering shall be subject to Company's approval as to the structure and voting control of the offeror (and Operator, if Operator is not the offeror) after the financing is completed

(f) Transfers Upon Death or Incapacity of Operator

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

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

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

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

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

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

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

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

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

business or activities other than the exercise of the rights herein granted to the Operator and the performance of its obligations as Operator hereunder

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

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

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

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

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

14 DEFAULT AND TERMINATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(viii) If Operator fails to pay its suppliers, trade creditors, employees and other creditors within three (3) days of the date on which Company gives written notice that payments to such

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

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

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

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

(d) Liquidated Damages Upon termination of this Agreement by Company due to an event of default, Operator shall pay the Company upon demand, as liquidated damages and not as a penalty and to compensate the Company for damages caused by such termination, the greater of the following (a) the sum of One Hundred Forty Five Thousand Dollars ($145,000), or (b) an amount equal to three (3) years of estimated weekly continuing fees (franchise and marketing royalties), which shall be calculated by Company by using the average weekly continuing fees due by Operator during the preceding twenty-four (24) full months (or, if Operator has been operating the Unit for a shorter period, then for the full months that Operator operated the Unit) It is agreed by the parties that it will be impracticable to determine precisely the actual damages such early termination would cause the Company in that such early termination would, among other things, hurt the cash flow upon which the Company makes its budgets due to Company's inability to collect future weekly continuing fees, hurt the reputation (and therefore the goodwill) of the Company and the value to the Company of the Licensed Marks with its actual and potential customers, and would impair the Company's ability to obtain new operators The liquidated damages amount set forth herein above is the best reasonable estimate made by the parties hereto of such damages and is for the purpose of compensating the Company for all such damages The liquidated damages amount set forth herein above shall be in addition to all other sums due the Company through the date of termination whether due pursuant to the terms of this Agreement or otherwise Operator further acknowledges that payment of the liquidated damages shall not relieve Operator, or any of its owners, from any of their respective obligations pursuant to Sections 12 and 15 of this Agreement

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

15 POST-TERM OBLIGATIONS

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

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

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

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

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

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

Nothing in this Section 15(a) or elsewhere in this Agreement shall be deemed to relieve any obligations incurred by the Operator prior to, at the time of, or extending beyond the time of termination Additionally, unless otherwise stated herein, the termination or expiration of this Agreement shall not terminate any written leases, collateral assignments or option agreements between the parties or their affiliates

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

16 INSURANCE

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

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

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

(3) Business interruption insurance,

(4) Automobile liability,

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

(6) Employment practices liability insurance

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

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

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

17 COMPLIANCE WITH LAWS, TAXES, PERMITS, AND INDEBTEDNESS

(a) Compliance with Laws Operator shall comply with all federal, state and local laws, rules and regulations (including without limitation health and sanitation, employment, Fair Labor Standards Act, Americans With Disabilities Act, food and beverage, gift cards, fictitious name registrations, fire clearances, and any other laws applicable to the operation of restaurants) and timely

obtain any and all permits, certificates and licenses for the full and proper conduct of the Franchised Business

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

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

18 INDEMNIFICATION AND INDEPENDENT CONTRACTOR

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

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

19 WRITTEN APPROVALS, WAIVERS AND AMENDMENT

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

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

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

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

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

20 ENFORCEMENT

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

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

(c) Attorneys' Fees If (i) either Company or Operator commences any action or proceeding, whether by judicial or quasi-judicial action or otherwise and at trial and appellate level, for the purpose of enforcing or preventing the breach of any provision hereof, or for a declaration of the party's rights or obligations hereunder, and Company prevails wholly or partially on such efforts, or (ii) any amounts due

from Operator to Company are, at any time, collected by or through an attorney at law or collection agency, Operator shall be liable to, and promptly reimburse, Company for all of costs and expenses that Company incurred in connection therewith, including, but not limited to, court costs and reasonable attorneys' fees

21 NOTICES

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

22 GOVERNING LAW

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

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

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

(ii) Operator consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Operator may have of improper venue in any such lawsuits filed in these courts (A)

the Superior Court of Fulton County, Georgia, and (B) the United States District Court for the Northern District of Georgia, Atlanta Division In the event any of these courts are abolished, Operator agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished All lawsuits filed by Operator against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts, provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit, such lawsuit may be filed in any court in Georgia having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper Lawsuits filed by Company against Operator may be filed in any of the courts named in this Section 22(b) or in any court in which jurisdiction and venue are otherwise proper

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

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

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

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

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

23 SEVERABILITY AND CONSTRUCTION

(a) Severability Should any part of this Agreement, for any reason, be declared invalid by a court of competent jurisdiction, such decision or determination shall not affect the validity of any remaining portion and such remaining portion shall remain in full force and effect as if this Agreement has been executed with the invalid portion eliminated, provided, however, that in the event of a declaration of invalidity, the provision declared invalid shall not be invalidated in its entirety, but shall be observed and performed by the parties to the extent such provision is valid and enforceable The parties hereby agree that any such provision shall be deemed to be altered and amended to the extent necessary to affect such validity and enforceability Additionally, the parties agree that each of the covenants described in this Agreement shall be construed as independent of any other covenant or provision of this Agreement Should any part of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being

made enforceable by reduction of any or all thereof, Operator and Company agree to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Company is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order

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

(c) Execution of Agreement, Counterparts Electronic Signatures

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

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

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

24 ACKNOWLEDGMENTS

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

(b) No Warranties or Guarantees Company expressly disclaims the making of, and Operator acknowledges that Operator has not received from any party, any warranty or guarantee, express or implied, as to the potential volume, profit, income or success of the business licensed under this Agreement

(c) Franchise Disclosure Document OPERATOR ACKNOWLEDGES THAT COMPANY HAS PROVIDED OPERATOR WITH A FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR PAYMENT OF ANY CONSIDERATION CERTAIN STATE LAWS REQUIRE THAT THE OPERATOR RECEIVE

THE FRANCHISE DISCLOSURE DOCUMENT NO LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISE, TEN (10) BUSINESS DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR TEN (10) BUSINESS DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION (WE SUGGEST THAT YOU SPEAK WITH YOUR ATTORNEY ABOUT THESE STATE REGULATIONS) OPERATOR ACKNOWLEDGES THAT IT HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY THE APPLICABLE STATE AND FEDERAL REGULATIONS OPERATOR FURTHER ACKNOWLEDGES THAT OPERATOR HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT, ITS EXHIBITS AND AMENDMENTS, AND UNDERSTANDS ITS CONTENTS

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

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

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

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

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

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT A

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

EXHIBIT B

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

2 Expiration Date _____

3 Initial Franchise Fee $_____

Standard fees are
$35,000.00 - standard initial franchise fee for new franchises, or
$25,000.00 - for franchisee who is an existing "Huddle House" franchisee in good standing, and
$26,250 00 – for franchisee who qualifies for the veteran discount under Company's "Patriot Program" for veterans

4 Security Deposit **$7,500.00**

5 Training Fee **$5,990.00**

6 Territory _____
_____
_____
_____(to be completed once Premises known) The Territory is (check only if applicable) ☐ depicted on the attached Exhibit B-1, incorporated by reference herein

7 Minimum Grand Opening Expenditure $3,000 00

8 Address to give notice to Operator

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

EXHIBIT B-1

Map of Territory

☐ Attached (or)

☐ Not applicable

EXHIBIT C

SPECIAL STIPULATIONS

(SPECIAL STIPULATIONS ARE INSERTED HERE)

EXHIBIT D

ADA CERTIFICATION

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

For Huddle House® Restaurant Unit Number: #____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT E

SITE SELECTION ADDENDUM

Huddle House, Inc , a Georgia corporation, ("**Company**") and the party identified as Operator in the signature block below ("**Operator**") have entered into a Franchise Agreement of this same date (the "**Franchise Agreement**") and desire to supplement its terms as set out below in this Site Selection Addendum (the "**Site Selection Addendum**")

The parties hereto agree as follows

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

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

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

3 Time to Locate Site and Default

a Within two hundred ten (210) days after the Effective Date (the "**Site Selection Period**"), Operator must acquire or lease/sublease, at its expense, commercial real estate that is properly

zoned for use as a "Huddle House" restaurant that Operator will operate under the Franchise Agreement (the "**Unit**") at a site that Company accepts as described in this Addendum In no event may the Site Submission and Evaluation process and actions under "Lease Responsibilities" set forth in this Site Selection Addendum exceed the Site Selection Period

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

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

5 Lease Responsibilities Operator will be solely responsible for securing the site Company accepts as the Premises of the Unit by entering into a lease for the Premises (the duration of which must be the same as the Initial Term of the Franchise Agreement) or a binding agreement to purchase the site Company has accepted, and Operator must do so within thirty (30) days after Company provides its written acceptance of a proposed site If Operator will lease the Premises, Operator must comply with the terms of Sections 7(a)(iii) and (iv) of the Franchise Agreement regarding the submission and acceptance of any lease and the terms and conditions of any lease, and Collateral Assignment of Lease, that Company may require Operator must comply with such requirements and obtain Company's acceptance of such lease documents before entering into any lease

6 Accepted Location as Premises Upon Company's written acceptance of a site under Section 3 of this Addendum, and after Operator secures the site pursuant to Section 5 of this Addendum and Sections 7(a)(iii) and (iv) of the Franchise Agreement, such site, as identified in Company's acceptance letter, will be the "Premises" under the Franchise Agreement Company and Operator agree that the specific address of the Premises, as set forth in Company's site acceptance letter will be incorporated by reference into Exhibit A of the Franchise Agreement Operator acknowledges and agrees that, if Company has recommended, accepted or given Operator any assistance or information with respect to locating or selecting a site for the Premises, that is not a representation, warranty, or guaranty of any kind, express or implied, of the suitability of the site for a "Huddle House" restaurant or any other purpose, or the success of a restaurant Company's acceptance indicates only that Company believes that the site meets Company's then acceptable criteria Applying criteria that have appeared effective with

other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from Company's criteria could change, altering the potential of a site and premises The uncertainty and changeable nature of these criteria and factors are beyond Company's control, and Company is not responsible if a site and premises Company accepts fail to meet Operator's expectations Operator acknowledges and agrees that Operator's acceptance of the obligation to develop the Unit is based on Operator's own independent investigation of the suitability of the site for the Unit

7 Defaults Upon any default by Operator of Operator's obligations under this Site Selection Addendum, Company may terminate this Site Selection Addendum and the Franchise Agreement by giving written notice of termination (in the manner set forth under Section 21 of the Franchise Agreement) stating the nature of such default to Operator at least ten (10) days prior to the effective date of termination, provided, however, that Operator may avoid termination by immediately initiating a remedy to cure such default, curing it to Company's satisfaction, and by promptly providing proof thereof to Company within the ten (10) day period If any such default is not cured within such time (or such longer period as applicable law may require), this Site Selection Addendum and the Franchise Agreement will terminate without further notice to Operator, effective immediately upon the expiration of the ten (10) day period or such longer period as applicable law may require

8 Entire Agreement This Addendum is an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof All capitalized terms not otherwise defined in this Addendum will have the same meaning as used in the Franchise Agreement Except as modified or supplemented by this Addendum, Operator and Company ratify and confirm the terms of the Franchise Agreement

For Huddle House® Restaurant Unit Number: #_____

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

MARKET DEVELOPMENT AGREEMENT

This Market Development Agreement ("**Agreement**") is entered into as of the Effective Date shown on the signature page of this Agreement (the "**Effective Date**") by and between **HUDDLE HOUSE, INC.**, a Georgia corporation, with its principal place of business at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Fulton County, Georgia 30328 ("**Company**"), and the individual or legal entity identified as the Developer on the signature page of this Agreement, whose principal place of business is set forth on the signature page ("**Developer**")

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

WHEREAS, Company, at a substantial expenditure of time, effort and money, has developed a distinctive system relating to retail food sales and restaurant operations, which system as it presently exists is identified by the Licensed Marks and includes site evaluation, equipment selection and layouts, accounting methods, merchandising, advertising, sales and promotional techniques, personnel training, and other matters relating to the operation and promotion of the restaurants, both by Company and the franchisees of Company that operate in buildings that display Company's exterior and interior trade dress and the Licensed Marks (hereinafter collectively referred to as the "**Huddle House System**"), and

WHEREAS, Company has acquired knowledge and experience in the composition, distribution, advertising and sale of food products by restaurants under the Huddle House System ("**Huddle House Restaurants**"), and has successfully established a reputation, demand and goodwill for the products sold by such Huddle House Restaurants, and

WHEREAS, Developer recognizes the value of uniformity in the Huddle House System and Developer further recognizes the value of Company's knowledge and experience gained through the operation of Huddle House Restaurants, and the value of the trade names, trademarks, service marks and other distinctive features of Huddle House Restaurants, and

WHEREAS, Developer acknowledges Company's sole and exclusive ownership of any rights to Company's current and future trade names, trademarks and service marks and to all current and future related practices, procedures, methods, devices, techniques, recipes and systems, and

WHEREAS, Developer desires to open and operate one or more Huddle House Restaurant franchises to be located within that certain geographic area described on Exhibit 1 to this Agreement (the "**Development Area**") and to secure the agreement of Company that, during the Term (as defined in Section 2 below), except as set forth in this Agreement, Company will not grant any other franchise license that authorizes the establishment of a Huddle House Restaurant in the Development Area or otherwise establish any Huddle House Restaurant in the Development Area, and

WHEREAS, Company is willing to grant Developer certain Huddle House Restaurant franchise license(s) and the protected right to establish one or more Huddle House Restaurants within the Development Area in accordance with the terms and conditions stated herein

NOW, THEREFORE, in consideration of the mutual promises stated herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by both Company and Developer, the parties hereby agree as follows

1 Grant Company hereby grants to Developer, subject to the terms and conditions of this Agreement, the right to open and operate the number of Huddle House Restaurants specified in Exhibit 1 (the "**Required Number of Units**") within the Development Area during the period of the Development Schedule set forth in Exhibit 2 (the "**Development Schedule**") In accordance with the Development Schedule, Developer shall develop and construct the Required Number of Units, shall perform all actions necessary to construct and open for retail operation, and shall operate each Huddle House Restaurant at a site accepted by Company within the Development Area pursuant to a separate Franchise Agreement to be entered into between Developer and Company

a Rights in Development Area During the Term, except as provided in this Agreement (including Section 1(b) below) and so long as Developer is in full compliance with the terms of this Agreement and all other agreements between Developer and Company, Company shall not, without the consent of Developer, grant options for or license others to operate, nor shall Company operate, any new or additional traditional Huddle House Restaurants at locations within the Development Area

b Company's Retained Rights and Exclusions from Development Area Developer expressly acknowledges and agrees that, except as expressly provided in Section 1(a) above, Company and its affiliates (including parents, subsidiaries and related companies) have the right to conduct any business activities, under any name, in any geographic area, and at any location, on any terms and conditions Company deems advisable without compensation or granting any rights to Developer Among other things (and without limiting Company's rights under the previous sentence), this means that Company and its affiliates have the right to do any or all of the following

(i) To own, acquire, establish, and/or operate and license others to establish and operate, Huddle House Units under the Huddle House System at any location (a) outside of the Development Area, or (b) inside the Development Area on food trucks and other mobile units and in arenas, sports stadiums, sports complexes, shopping malls, food courts, department stores, retail stores, hotels, casinos, amusement parks, arcades, theaters, bowling centers, festivals, fairs, schools, colleges, national parks, state and local parks, public beaches, convention centers, conference centers, factories, hospitals, penal institutions, airports, train stations, public transit stations, cruise ship ports, turnpikes, military bases, government buildings, office complexes, high-rise apartment buildings, senior living facilities, Indian reservations, and other premises where the primary activity conducted at the premises is other than the retail sale of food prepared for immediate consumption ("**Non-Traditional Restaurants**"), notwithstanding such Huddle House Unit's proximity to, or impact on, any of Developer's Huddle House Restaurants,

(ii) To own, acquire, establish, and/or operate, and license others to operate, businesses under other proprietary marks and/or other systems, whether such businesses are similar to or different from a Huddle House Restaurant, at any location within or outside of the Development Area, notwithstanding such business' proximity to, or impact on any of Developer's Huddle House Restaurants,

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

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

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

c Operation of Terminated Franchised Business Notwithstanding anything stated to the contrary in Section 1(a) above, if during the Term, Company terminates the franchise of, or if the franchise expires and is not renewed for, any Huddle House Restaurant developed pursuant to this Agreement by Developer, Company shall have the right to operate, or to franchise another person or entity to operate, a Huddle House Restaurant at the site where each such terminated franchised business had been established and operated

2 Term

a Term Unless earlier terminated as provided herein, or unless the parties agree to a Term Extension pursuant to Section 2(b) below, the term of this Agreement (the "**Term**") begins on the Effective Date and shall expire on the earlier to occur of (a) the date of execution by Company of the Franchise Agreement for the last of the Huddle House Restaurants then required to be opened and operated pursuant to this Agreement, or (b) the date that the last Huddle House Restaurant is required to be opened pursuant to the Development Schedule

b Extension of Term Company has the right in its sole discretion to offer Developer an option, on the terms and conditions described in this Section 2(b), to purchase an extension of the Term beyond the date this Agreement would expire under Section 2(a) above (a "**Term Extension**") Company has no obligation to grant a Term Extension

i The following terms and conditions apply to any requests for a Term Extension (a) unless otherwise agreed by the parties, if Company agrees to a Term Extension, the Term Extension will not grant Developer the right to develop additional Huddle House Restaurants beyond the number required under the Development Schedule, nor will it extend any deadlines in the Development Schedule, (b) Developer shall pay a fee (the "**Term Extension Fee**") calculated as described below in this Section 2(b)(iii) below, and (c) if Developer wishes to purchase a Term Extension after the Effective Date, Developer must be and is in full compliance with the terms of this Agreement and all other agreements between Developer and Company and give notice of its request to extend no fewer than six (6) months prior to the expiration of the Term

ii If the parties agree to an extension of the Agreement pursuant to this Section 2(a), then the "Term" will include the period of the Term Extension Exhibit A of this Agreement

indicates if Developer has, as of the Effective Date, purchased an Extension Term and the modified period of the Term If Developer purchases the Term Extension after the Effective Date, Developer and Company will amend this Agreement to reflect the new expiration of the Term

iii The Extension Term Fee is calculated as Five Thousand Dollars ($5,000) per additional year to be added to the Term (with each additional year measured as twelve months from the last date of the Development Schedule) multiplied by the Required Number of Units The Term Extension Fee is due in full when Company and Developer agree upon the Term Extension and is fully earned and non-refundable at the time of payment

3 Development Fees Developer shall pay to Company the following

a Development Fees In consideration of the development rights granted by Company to Developer herein, the development fees ("**Development Fees**") shall be the amount specified in Section 2 A of Exhibit 1 hereto The Development Fees shall be calculated as the total of (i) Thirty Five Thousand Dollars ($35,000) for the first unit to be developed and (ii) Seventeen Thousand Five Hundred Dollars ($17,500) for every additional unit that is part of the Required Number of Units The Development Fees are separate from the initial franchise fees that will be due under the Franchise Agreement for each Huddle House Restaurant (for each Unit, this is the "**Initial Franchise Fee**"), as further described in Section 7 of this Agreement The Development Fees, receipt of which are hereby acknowledged, are fully earned and non-refundable in consideration of Company's lost or deferred opportunities to enter into a development or franchise agreement with others pertaining to the Development Area, and for administrative and other expenses incurred by Company

b Development Credit Towards Initial Franchise Fees If Developer is in full compliance with the Development Schedule and is not in default under other terms of the Development Agreement or any other Franchise Agreement between Developer (or its affiliates) and Company, then as Developer enters into Franchise Agreements for the Huddle House Restaurants developed pursuant to this Agreement, Company shall credit the portion of Development Fee actually paid by Developer pursuant to Section 3(a) above for the applicable Huddle House Restaurant toward the Initial Franchise Fee payable under each such Franchise Agreement (see Exhibit 1 of this Agreement) The total amount of the credits that Company may grant to Developer under this Section 3(b) during the Term will not exceed the total Development Fees that Developer has actually paid to Company

4 Development Schedule Developer shall build, open and operate properly licensed Huddle House Restaurants in accordance with the Development Schedule In the event that Developer opens and continuously operates a greater number of Huddle House Restaurants in the Development Area than required during any interim period of the Development Schedule, the requirement of the succeeding period(s) shall be deemed satisfied to the extent of such excess number of restaurants, up to the total number of restaurants specified in the Development Schedule

5 Conditions Precedent to Exercising of Franchises for Huddle House Restaurants The following shall be conditions precedent to the right of the Developer to open and operate any franchised business within the Development Area under the Huddle House System pursuant to this Agreement

a Location of Restaurants Developer is responsible for locating proposed sites for any Huddle House Restaurant contemplated within the Development Area Developer shall use its best efforts to locate suitable sites to fully comply with the Development Schedule Company, in its discretion, may offer assistance in site selection In no event, however, shall Company be obligated to loan money, guarantee leases, provide financing or otherwise become directly involved and/or obligated

to Developer or to any third party in respect of such site selection or development, these activities and undertakings, financially and otherwise, shall be the exclusive responsibility of Developer

b Site Acceptance

i Upon selection by Developer of a proposed site for a Huddle House Restaurant, Developer promptly shall submit to Company such specific site data and demographic and other information concerning the site as may be reasonably required by Company, utilizing such forms as may be required by Company Company shall either accept or reject such site in accordance with Company's then-current site selection policies and procedures To be effective, any acceptance must be in writing Developer understands and acknowledges that Company may reject any proposed site, in which event Developer will not proceed at the rejected site, but will seek to locate an acceptable site Developer acknowledges that in the event Developer should submit site(s) to Company that are not accepted by Company, such non-acceptance will not constitute a defense for nonperformance according to the Development Schedule by Developer The acquisition in any manner of any proposed site prior to acceptance by Company shall be at the sole risk and responsibility of Developer and shall not obligate Company in any way to accept such site or to enter into a Franchise Agreement for operation of a Huddle House Restaurant at such site

ii As a condition for accepting a proposed site, Company may require Developer to negotiate a lease or sales contract that includes certain terms regarding duration or other specified matters Developer understands and acknowledges that a site acceptance may be conditioned on such matters and that if Developer does not wish to, or cannot, satisfy the pertinent conditions within a reasonable time, the site will be deemed rejected

iii In executing this Agreement, accepting a proposed site, giving acceptance or advice or providing services or assistance in connection with this Agreement, Company does not guarantee the suitability of an accepted site or the success of any particular Huddle House Restaurant established at any such site Company expressly disclaims any warranties, express or implied, with respect to the suitability of any site or the success of any restaurant Developer understands and acknowledges that the suitability of a site and the success of any restaurant depend on many factors outside the control of either Company or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate), but principally depend on Developer's efforts in the operation and management of the restaurant

c Restaurant Construction

i Following execution of a Franchise Agreement as provided in Section 5(c), below, and upon receiving acceptance for a proposed site, Developer shall proceed promptly to secure control of the accepted site and to obtain necessary zoning and building approvals and permits Following acceptance of any site, Company shall provide Developer with approved standard architectural plans and specifications for a prototype Huddle House Restaurant Such prototype plans shall not contain the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act ("**ADA**") or similar rules governing public accommodations for persons with disabilities, nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Huddle House Restaurant Developer shall be solely responsible for compliance with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Huddle House Restaurant After a site is accepted but before commencing construction of any Huddle House Restaurant contemplated by this Agreement, Developer shall, if

requested by Company, at Developer's expense, furnish to Company for Company's acceptance, the following

ii A proposed preliminary site plan for the Huddle House Restaurant which, if accepted, shall not thereafter be changed without Company's prior written consent, and

iii A copy of Developer's plans and specifications for construction of the Huddle House Restaurant in proposed final form, which plans and specifications shall have been adapted, at Developer's expense, from Company's then standard plans and specifications and which, if accepted, shall not thereafter be changed without Company's prior written consent Company's approval shall be limited to review of such plans to assess compliance with Company's design standards for Huddle House Restaurants, including such items as trade dress, presentation of the License Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Huddle House Restaurants Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Developer In addition, upon request by Company, Developer shall furnish Company information as Company may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and permanent financing, the name, address and contact with respect to each lender, the name and address of the contractor, together with a copy of the construction contract

iv Thereafter, Developer shall commence construction of the particular Huddle House Restaurant in accordance with the accepted site plan and building plans and specifications as soon as possible and shall complete all the construction thereof, including the acquisition and installation of all equipment specified by Company, and have the restaurant(s) ready to open for business within the time(s) specified in this Agreement Company and its agents shall have the right to inspect the construction at any reasonable time Developer agrees to give Company at least ten (10) days' notice prior to pouring the concrete slab for any Huddle House Restaurant to be opened pursuant to this Agreement and to give Company notice immediately after completion of the electrical and mechanical rough-ins to enable Company to inspect the construction at such times Developer shall correct, upon request and at Developer's expense, any deviation from any approved site plan or plans and specifications Company assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections

v In the event Developer either (a) fails to open any Huddle House Restaurant within the time periods set forth in this Agreement, except for any delay due in material part to war, strikes, lock-outs, governmentally imposed building moratoriums, or similar causes beyond the control of Developer (which do not include general construction delays) or unless Developer has been granted an extension in accordance with Section 5(c)(vi) below, or (b) commences construction of any Huddle House Restaurant according to plans and specifications not accepted by Company or alters such accepted site plan or plans and specifications without Company's approval, then, Company, at its option, may cancel and terminate this Agreement, by written notice to Developer, in which case any Development Fee paid to Company pursuant to the terms hereof shall be retained by Company as liquidated and agreed damages and no further Franchise Agreements will be issued under this Agreement for any proposed Huddle House Restaurants

vi Company reserves the right to grant extensions or renewals of this Agreement at Company's sole right and discretion in the event that Developer has complied (in Company's opinion) with all of the terms and conditions herein and has, in good faith, diligently pursued the construction of the Huddle House Restaurants according to the Development Schedule Additionally, if Developer will not be able to comply with the Development Schedule for any particular Huddle House Restaurant to be constructed and opened, then Developer may apply to Company, in writing, not fewer than thirty (30)

days in advance of the applicable deadline under the Development Schedule for an extension of the Development Schedule relating to such Huddle House Restaurant Developer's written application for an extension must specify the reasons for the requested extension and specify a proposed revised opening date for the effected Huddle House Restaurant Developer has no right to receive an extension of a deadline in the Development Schedule, and Company will determine, in its sole right and discretion, whether to grant an extension of a deadline in the Development Schedule No extension of a deadline will be effective unless and until Company provides its written approval, and Developer has paid to Company a fee in an amount equal to Five Thousand Dollars ($5,000) per month (or partial month) of the extension granted by Company Company's decision to extend a deadline of the Development Schedule for a particular Huddle House Restaurant(s) shall not, absent a written agreement, renew or extend the Development Schedule with respect to any other Huddle House Restaurant to be developed Developer agrees that any such extensions shall in no way be construed as a waiver or modification of Company's rights hereunder or as a limitation of Company's right to terminate this Agreement for Developer's failure to adhere to the Development Schedule An extension of a deadline of the Development Schedule under this Section 5(c)(vi) is separate from, and does not grant Developer, an extension of the Term as described in Section 2(b) above

d Franchise Agreements

i With respect to each Huddle House Restaurant contemplated by this Agreement, upon the due performance by Developer within all applicable time periods of all of the requirements of this Agreement (including, without limitation, payment of the Development Fees) and prior to commencing the construction of such Huddle House Restaurant or undergoing any training required under this Agreement and the Franchise Agreement, Company and Developer shall execute and deliver Company's standard form of franchise agreement for the operation of a Huddle House Restaurant(each a **"Franchise Agreement"**) The Franchise Agreement for each Huddle House Restaurant to be developed under this Agreement shall be the then-current form of Franchise Agreement, and the Initial Franchise Fee for such Huddle House Restaurant shall be due and payable as described in Section 7 below Any such Franchise Agreement or other agreement executed in connection therewith may include certain lease or purchase options, either from Developer or any other owner of the real property upon which the restaurant is to be constructed and operated, in favor of Company

ii As a condition of Company's execution of any Franchise Agreement, Company may require Developer and/or its principals to provide a personal guaranty, letter of credit or corporate guaranty in a form acceptable to Company to secure payment of continuing and other fees required to be paid to Company or its affiliates under such agreement, or otherwise Developer shall comply with Company's then-current franchising policies and procedures with respect to each franchise developed hereunder Company shall be under no obligation to execute a Franchise Agreement for any such franchise unless Developer has complied in a timely manner with all terms and conditions of this Agreement and has satisfied all requirements set forth herein with respect to such franchise In addition, Company shall be under no obligation to execute any Franchise Agreement if Developer is in breach or default of any other Franchise Agreement, Market Development Agreement, or any other agreement between Company and Developer, or if Developer is not eligible for expansion pursuant to Company's then-current criteria for expansion If and when any Franchise Agreement contemplated in this Agreement is executed by Company, it shall supersede this Agreement and govern the relations between the parties with respect to the particular restaurant

6 Advisory Services and Training

a Advisory Services Company shall at reasonable times during the Development Schedule, and subject to the availability of Company personnel, upon the request of, and at no charge to Developer (except as otherwise expressly provided in this Agreement), furnish certain counseling and advisory services to Developer with respect to the site selection, construction, and pre-opening activities related to the operation of Huddle House Restaurants

b Training As required by the Franchise Agreements therefor, Developer and its employees shall attend and conduct such training programs as Company may reasonably require in order to train Developer's personnel properly to operate the Huddle House Restaurants contemplated by this Agreement

c Solicitation of Company Employees Developer shall not, with respect to any person who is employed by Company at Company's headquarters or distribution center as an executive, manager, field director or supervisor, or other position that receives Huddle House specialty training, solicit such person to leave his or her employment in such positions with Company for the purpose of employment by Developer without Developer first obtaining Company's consent In addition to any other rights and remedies available to Company under this Agreement, in the event of a violation of this Section, Company will have the right to require Developer to pay to Company an amount equal to Forty Thousand Dollars ($40,000) as liquidated damages and not as a penalty and to compensate for damages caused by such violation Developer and Company agree that it would be impracticable to determine precisely the actual damages to Company due to a violation of this Section 6(c) as such damages could arise from various factors including increased workloads for Company Employees, reduced efficiency of Company's operation and management, and increased expenditures to locate, hire and train personnel to replace Company's employee hired by Developer in violation of this Section 6(c) The liquidated damages amount set forth hereinabove is a reasonable best estimate made by the parties hereto of such damages and is for the purpose of compensating for all such damages

7 Initial Franchise Fee Upon execution by Company of a Franchise Agreement for any Huddle House Restaurant contemplated by this Agreement, Developer shall pay to Company an Initial Franchise Fee The Initial Franchise Fee for each Huddle House Restaurant shall be the amount set forth in the then-current form of Franchise Agreement to be signed for that Huddle House Restaurant The Initial Franchise Fee for each Huddle House Restaurant must be paid in full upon Developer's execution of such Franchise Agreement, less any credit that may be applied pursuant to Section 3(b) above Each Initial Franchise Fee is fully earned by Company upon execution of the Franchise Agreement and thereafter shall be non-refundable

8 Termination

a Automatic Termination Developer shall be in default under this Agreement, and all rights granted to Developer shall automatically terminate without notice to Developer upon the occurrence of any of the following events Developer becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by Developer, or such a petition is filed against and consented to by Developer, or if a bill in equity or other proceeding for the appointment for a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer, or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed

b By Company Company may terminate this Agreement prior to the expiration of the Term upon the occurrence of any event of default described below Upon the occurrence of any event of default which remains uncured after the cure period specified, if any, Company may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Developer's rights hereunder Company, at its option, may terminate this Agreement immediately upon notice to Developer, upon the occurrence of any of the following

i failure to open any Huddle House Restaurant within the time period(s) specified in this Agreement, unless Company granted Developer's request for an extension made in accordance with Section 5(d), above,

ii the assignment of this Agreement without the prior written approval of Company,

iii if Developer is a corporation, partnership, limited liability company, trust, or other association or entity (each an "**Entity**"), the transfer of any equity or other ownership interest in such Entity during the Term of this Agreement without the prior written approval of Company, or, in the event that any shareholder, partner, member or other holder of an ownership or equity interest (each, an "**Owner**") of Developer is an Entity, the transfer of any equity or other ownership interest in such Owner during the Term without the prior written approval of Company,

iv the discovery by Company of any material misrepresentation in any of the information or documents submitted to Company by or on behalf of Developer,

v Developer fails to take any action required herein (including but not limited to, construction, execution of Franchise Agreements, and payment of Initial Franchise Fees) to establish the Required Number of Units, and any additional restaurants agreed upon by Developer and Company, within the times established in the Development Schedule, or

vi any other violation by Developer of any provision of this Agreement if such violation shall continue for ten (10) days after Company gives written notice of such material violation to Developer or if such material violation cannot be reasonably corrected within such ten (10) day period, then if such material violation is not corrected within such additional time as may be required in the reasonable opinion of Company, provided that Developer proceeds with reasonable diligence, provided, however, that such written notice and a reasonable time to correct material violations shall not be required if Developer has committed more than three (3) such violations during any one-year period (and has been notified by Company of each such violation), or

vii Developer or any of its Owners or guarantors, or any entities that are under common control with or affiliated with Developer or its Owners or guarantors, defaults on any other agreement with Company, or any affiliate or parent corporation of Company, or any lender to Developer relating to the Huddle House Restaurants to be developed under this Agreement, and such default is not cured in accordance with the terms of such other agreement

9 Effect of Expiration or Termination Upon expiration of this Agreement (and this Agreement is not renewed), or upon its termination for any reason, any and all rights granted to Developer hereunder shall immediately terminate Company shall be under no further obligation whatsoever to grant any additional franchise license(s) to Developer, and Company thereafter shall have the right to operate or license others to operate Huddle House Restaurants within the Development Area, except as limited by the provisions of any other then effective agreements between Developer and Company

10 Restrictions Company is engaged in the business of developing and franchising Huddle House Restaurants on a national basis Developer acknowledges that the appropriation or duplication of Huddle House Restaurants, the Huddle House System, or any part thereof for a purpose other than to operate a Huddle House Restaurant pursuant to a Franchise Agreement with Company would damage the franchising business of Company Developer acknowledges that Company owns "**Confidential Information**" which includes any and all information, knowledge and know-how about the Huddle House System and Company's products, services, standards, procedures, techniques communicated to Developer, and such other information or material which Company reasonably considers to be material which is not generally known by the public Developer acknowledges and agrees that it shall not, during the Term or thereafter, communicate, directly or indirectly, divulge to or use for its benefit or the benefit of any other person or legal entity (except in the necessary operation of the businesses) any Confidential Information and that Developer shall limit access to Confidential Information by Developer's employees on a need-to-know basis Developer acknowledges that the unauthorized use or disclosure of Company's Confidential Information will cause irreparable injury to Company and that damages are not an adequate remedy Company shall be entitled to obtain injunctive relief in addition to any other legal or equitable remedies it may have if Developer fails to comply with the provisions contained herein

11 Use of Licensed Marks Developer acknowledges that until a Franchise Agreement has been issued for a specified site, Developer shall not have or be entitled to exercise any of the rights, powers and privileges granted by such Franchise Agreement, including without limitation the right to use the Licensed Marks, that the execution of this Agreement shall not be deemed to grant any such rights, powers or privileges to Developer, and that Developer may not under any circumstances commence operation of any Huddle House Restaurant prior to execution by Company of a Franchise Agreement for the particular location

12 No Right to Sub-Franchise Developer acknowledges that this Agreement does not contemplate, authorize or permit Developer to operate or function as a sub-franchisor or franchise broker of Company

13 Transfer

a Consent to Transfer Required Developer understands and acknowledges that Company has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners, if Developer is not an individual Accordingly, Developer shall not directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber its rights and obligations hereunder or suffer or permit any such assignment, transfer or encumbrance to occur by operation of law (collectively, "**Transfer**") without the prior express written consent of Company In the event Developer is an Entity, the Owners, beneficiaries, or investors, as the case may be of any such Entity, may not effectuate a Transfer of any equity or voting interest in such Entity without the prior written consent of Company Furthermore, in the event that any Owner of Developer is an Entity, the interests of the shareholders, limited partners, trustees, beneficiaries, partners or investors, as the case may be, in such Owner, may not effectuate a Transfer of any equity or voting interest in such Entity without the prior written consent of Company Any purported assignment or Transfer without the written consent of Company shall be null and void and shall constitute a material breach of this Agreement, for which Company may immediately terminate this Agreement without opportunity to cure

b Limited Transfer Right Notwithstanding the foregoing, for a period of one (1) year from the Effective Date, if Developer is an individual, Developer may, subject to the conditions of this Section 13, assign this Agreement and Developer's rights and obligations hereunder on one occasion to one Entity (as defined in Section 8(b)(iii) of this Agreement) provided that (i) the Entity is organized by Developer

for that purpose only, (ii) at least fifty-one percent (51%) of all the issued and outstanding shares of voting stock and/or membership interests of the Entity shall be owned and voted continuously by Developer, and (iii) if the proposed transfer is to a legal entity in which Developer will not own one hundred percent (100%) of all of the issued and outstanding shares of voting stock and/or membership interests, Company, prior to such transfer, shall have the right to approve any other shareholders and/or members, and such approval shall be subject to the terms and conditions of Section 13 Developer must give Company prior written notice of such proposed assignment, and if approved by Company, all parties involved will execute such documents as Company may require, and in the form approved by Company, to effectuate the assignment, including without limitation any amendments to this Agreement and personal guarantees by Developer's owners, and Developer shall pay the transfer fee, if any, due under this Section 13(b) If the transfer under this Section 13(b) is to an entity that is one hundred percent (100%) owned by Developer, there will be no fee due for this transfer If the transfer under this Section 13(b) is to an entity in which Developer owns less than one hundred percent (100%) but at least fifty-one percent (51%) of the ownership interests, then Developer shall pay to Company a Fee of Two Thousand Dollars ($2,000) for the additional expense Company has expended for this Assignment Upon completion of all conditions required by Company, such Entity will have all of said rights and obligations under this Agreement, and the term "Developer" as used herein shall refer to said Entity, provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Developer," who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such Entity Further, Developer must acknowledge that no such assignment will relieve Developer from the cross default or any other provisions of this Agreement (which shall continue to apply to any entities that are under common control with Developer) In addition to agreements executed pursuant to the terms of this Agreement, Developer shall not effectuate a Transfer any of Developer's ownership or control in such an Entity without the prior written consent of Company

c Conditions Developer acknowledges and agrees that it shall be reasonable for Company to condition its consent to a Transfer on any or all of the conditions and requirements for transfers set forth in the Franchise Agreement which was included in the Franchise Disclosure Document provided to Developer in connection with this Agreement, that Company deems applicable to a proposed transfer under this Agreement Additionally, Company may further condition its consent on, among other factors the requirement that the proposed Transfer under this Agreement is to be made in conjunction with a simultaneous transfer to the same transferee of all comparable interests held by the transferor under all the Franchise Agreements executed pursuant to this Agreement, transferee's execution of Company's then-current form of market development agreement (as updated to reflect the remaining development rights under this Agreement), and payment to Company by Developer of a non-refundable transfer fee in the amount of Five Thousand Dollars ($5,000), which amount shall be due at the time the transferor submits its application to Company requesting Company's consent to the transfer

d Death of Developer In the event of the death of Developer, or if Developer is an Entity, then in the event of the death of any Owner of Developer, Company shall not unreasonably withhold its consent to a Transfer of Developer's interest herein, or if Developer is an Entity, the Transfer of the deceased Owner's interest in such Entity, to a descendant, heir or legatee of the decedent, so long as, in the sole judgment of Company, such successor is capable of performing the duties and obligations of the decedent hereunder (or of the decedent as an Owner of Developer) and under any Franchise Agreement to which the decedent (or of the decedent as an Owner of Developer) is a party, or to a responsible bona fide purchaser acceptable to Company Any approval by Company of such Transfer shall be subject to the assignee's agreement in writing to assume and perform all of Developer's (or the decedent's as an Owner of Developer) duties and obligations hereunder and under any Franchise Agreement to be issued pursuant to this Agreement, and with respect to this Agreement and each such Franchise Agreement, all conditions for Transfer set forth in such agreement shall be met

e Assignment by Company Company shall have the right to assign all or any part of its rights or obligations hereunder to any person or entity

14 Notices All notices, requests, and demands to or upon the respective parties hereto shall be deemed to have been given or made when mailed by registered or certified mail or nationally recognized overnight courier, postage prepaid, addressed as follows

If to Developer, at the Notice Address listed on the signature page

If to Company, at

HUDDLE HOUSE, INC
Attn Legal Department
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328

or to such other address as may be designated hereafter in writing by the respective parties hereto

15 Mediation

Except as expressly provided in this Section, any dispute arising under or relating to this Agreement (each, a "**Dispute**") shall be submitted to mediation in accordance with the following alternative dispute resolution ("**ADR**") procedure prior to the filing of any lawsuit with respect to such Dispute

a Any party to this Agreement claiming that a Dispute has arisen shall give written notice to the other party of the Dispute and shall designate a person as its representative in negotiations with authority to settle the Dispute The party who has received written notice of the Dispute shall promptly give written notice to the other party acknowledging notice of the Dispute and designating a person as its representative in negotiations with authority to settle the Dispute

b If the parties cannot reach a resolution of the Dispute within seven (7) days, either party may notify the other in writing that it seeks to have such dispute resolved by mediation

c The parties shall have ten (10) days from the date of submission to mediation to agree upon a mutually acceptable neutral person not affiliated with either of the parties (the "**Mediator**") If no Mediator has been selected within such time, the parties agree jointly to request the American Arbitration Association, the Center for Public Resources, and/or another mutually agreed-upon provider of mediation services to supply, within ten (10) days, a list of potential mediators with qualifications as specified by the parties to the joint request Within five (5) days of receipt of the list, the parties shall independently rank the proposed candidates, simultaneously exchange rankings, and select as the Mediator the individual receiving the highest combined ranking who is available to serve

d In consultation with the Mediator, the parties shall promptly designate a mutually convenient time and place in Georgia for the mediation (and unless circumstances require otherwise, such time shall not be later than twenty-one (21) days after selection of the Mediator) In the event that either party has substantial need for information in the possession of the other party in order to prepare for the mediation, the parties shall attempt in good faith to agree on procedures for the expeditious exchange of information, with the assistance of the Mediator if required

e One week prior to the first scheduled session of the mediation, and unless the Mediator instructs otherwise, each party shall deliver to the Mediator and to the other party a concise written summary of its views on the matter in dispute

f The Mediator shall have the right to determine the procedures for the conduct of the mediation proceedings (the "**Proceedings**"), provided that the mediation will proceed with each respective party and their legal counsel, without the use of expert witnesses as part of the Proceedings All Proceedings shall be (i) as informal as is consistent with the proper conduct of the dispute resolution, (ii) at a place to allow the Mediator to communicate privately with the parties or their legal representatives, (iii) in confidence and in closed session, (iv) on a without prejudice basis, including all discussions leading up to the Proceedings, (v) on the basis that no documents brought into existence, or admissions, or offers for settlement, specifically for the purpose of the mediation process or the Proceedings, will be called into evidence in any subsequent litigation by either party, and (vi) heard and completed within seven (7) days of the commencement of the Proceedings

g The Mediator shall (i) provide his/her opinion to both parties on the probable outcome should the matter be litigated, unless requested not to do so by both parties, and (ii) make one or more recommendations as to the terms of a possible settlement, upon any conditions imposed by the parties (including, but not limited to, a minimum and maximum amount) if requested to do so by both parties

h The Mediator shall base his opinions and recommendations on information then available to both parties, excluding such information as may be disclosed to him by the parties in confidence The opinions and recommendations of the Mediator shall not be binding upon the parties

i The parties agree to participate in the mediation procedure to its conclusion (as designated by the Mediator) and not to terminate negotiations concerning resolution of the matters in dispute until at least ten (10) days thereafter Each party agrees not to commence a lawsuit or seek other remedies with respect to the Dispute prior to the conclusion of the ten (10) day post-mediation negotiation period, provided, however, that either party may commence litigation within five (5) days prior to the date after which the commencement of litigation could be barred by an applicable statute of limitations or in order to request an injunction to prevent irreparable harm, in which event the parties agree (except as prohibited by court order) to nevertheless continue to participate in the mediation to its conclusion

j The fees of the Mediator shall be shared equally by the parties The Mediator shall be disqualified as a witness, consultant, expert or counsel for either party with respect to the matters related to the Dispute

k It is agreed that any Proceeding is a compromise negotiation for purposes of the Federal Rules of Evidence and state rules of evidence Each Proceeding shall be confidential, and no stenographic, visual or audio record shall be made All conduct, statements, promises, offers, views, and opinions, whether oral or written, made in the course of any Proceeding by either of the parties, their agents, employees, representatives, or other invitees and by the Mediator are confidential and shall, in addition and where appropriate, be deemed to be work product and privileged Such conduct, statements, promises, offers, views, and opinions shall not be discoverable or admissible for any purposes, including impeachment in any litigation or other proceeding involving the parties, and shall not be disclosed to anyone not an agent, employee, expert, witness or representative of either of the parties, provided, however, that evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in a Proceeding

l Notwithstanding anything herein to the contrary, the requirements of this Section 15 shall not apply to claims relating to, or disputes relating to, Company's Licensed Marks, to claims relating to Developer's non-payment of monies to Company, or to requests by Company or Developer for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain injunctive relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by mediation If Company secures any declaration, injunction or order of specific performance, if any provision of this Agreement is enforced at any time by Company, or if any amounts due from Developer to Company are, at any time, collected by or through an attorney at law or collection agency, Developer shall be liable to Company for all costs and expenses of enforcement and collection including, but not limited to, court costs and reasonable attorney's fees

16 Miscellaneous Provisions

a Construction All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named

b Headings Captions and section and paragraph headings are used herein for convenience only They are not part of this Agreement and shall not be used in construing it

c Modification Neither this Agreement, nor any provision of this Agreement, may be changed, waived, discharged, modified, or terminated orally, but may be modified only by an instrument in writing signed by the party against whom enforcement is sought

d Governing Law/Jurisdiction This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Georgia The parties agree and consent to personal jurisdiction of the Superior Court of Fulton County, Georgia, and the United States District Court for the Northern District of Georgia, Atlanta Division, with regard to any civil action relating to any claim arising under this Agreement, and agree that venue shall be proper in such courts for such action

e Time for Claims Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Company (or Company's affiliates), or Developer's development of Huddle House Restaurants under this Agreement, brought by either party hereto against the other shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred

f Jury Trial Waiver Company and Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other

g Waiver of Punitive Damages Company and Developer hereby waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other, except for punitive or exemplary damages authorized by applicable federal law

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

i Confidentiality Developer agrees not to disclose any provision of this Agreement to any party or entity without the prior written consent of Company

j Counterparts This Agreement may be executed in several counterparts, and signature pages may be exchanged by fax, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument

k Entire Agreement This Agreement constitutes the entire agreement of the parties hereto as to the matters stated herein Any modification or amendment of this Agreement shall not be binding upon the parties unless in writing and signed by all parties hereto, and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties that have been relied upon by either party other than those set forth herein Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Company has made in the most recent Disclosure Document (including its exhibits and amendments) that Company delivered to Developer or its representative No agreement of any kind relating to the matters covered by this Agreement shall be binding upon either party unless and until the same is made in writing and executed by both parties

l Waiver The failure of either party to exercise any power or remedy hereunder or to insist upon strict compliance with the terms of this Agreement shall not be deemed to be a waiver of the right of such party to demand strict compliance with the exact terms of this Agreement in the future

m Time Time is of the essence of this Agreement

n Severability Should any part or clause of this Agreement be declared by a court of competent jurisdiction to be void or unenforceable, then that part or clause shall be deemed to be severed and the remainder of this Agreement shall remain in full force and effect Additionally, if any part of or clause of this Agreement is found to be unenforceable but part of such is capable of being made enforceable by reduction of any or all thereof, Developer and Company agree to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Company is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order

17 Developer's Acknowledgments

a Developer understands and acknowledges that there are significant risks in any business venture and that the primary factor in Developer's success or failure under this Agreement will be Developer's own efforts IN ADDITION, DEVELOPER ACKNOWLEDGES THAT COMPANY AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS TO DEVELOPER OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO DEVELOPER AND THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT AND DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE

b Developer and its Owners agree to comply with and/or to assist Company to the fullest extent possible in Company's efforts to comply with Anti-Terrorism Laws (as defined below), and further agree to require that any Developer Related Party (as defined below) also complies with and/or assist Company in Company efforts to comply with Anti-Terrorism Law In connection with such compliance,

Developer and the Owners certify, represent, and warrant that none of their, or any Developer Related Parties' respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither Developer nor any of the Owners or Developer Related Parties are in violation of any of the Anti-Terrorism Laws Developer also agrees not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war Developer shall be solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws Developer further acknowledges and agrees that any violation of the Anti-Terrorism Laws by a Developer, or Developer's employees or any "blocking" of a Developer Related Party's assets under the Anti-Terrorism Laws shall constitute grounds for immediate termination of this Agreement and any other agreement Developer shall have entered with Company or its affiliates, in accordance with the termination provisions of this Agreement The term "**Developer Related Party**" as used in this Section 17(b) means any Owner or guarantor ("**Guarantor**") of Developer's obligations under this Agreement, or the immediate family member (spouse, child, sibling, or parent) of an Owner or Guarantor, and any other person or entity under common control with or affiliated with Developer or any Owner

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals the date and year first above written

COMPANY
HUDDLE HOUSE, INC
a Georgia corporation

By _____

Name _____

Title _____

Effective Date of this Agreement _____

DEVELOPER
DEVELOPER_NAME,
a [STATE] [ENTITY TYPE]

By _____
DEVELOPER SIGNATORY1, TITLE

By _____
DEVELOPER SIGNATORY2, TITLE

OR

_____

NAME, Individually

Developer Principal Place of Business
[DEVELOPER ADDRESS
DEVELOPER CITY,
DEVELOPER COUNTY,
DEVELOPER STATE, DEVELOPERZIP]

Developer Notice Address
«Developer»
«Developer_Address_Line_1»
«City», «State» «Zip»

EXHIBIT 1

DEVELOPMENT AREA, FEES, AND TERM

1 Development Area The Development Area shall consist of the following cities (or parts of cities) in the State of DEVELOPMENT AREA_STATE_NAME (see sixth Whereas clause)

LIST OF CITIES HERE

2 Development Fees

Development Fees - The Development Fees shall be the total of (a) $35,000 00 for the first unit to be developed and (b) $17,500 00 for every additional unit to be developed pursuant to the Market Development Agreement to satisfy the Required Number of Units The total fees due under this Agreement at the time of signing are

Calculation of Development Fees	
Required Number of Units:	_____ (insert # of Units)
Development Fees calculation For First Unit Per additional unit	 $35,000 00 $17,500 00 (per ___ additional units)
Development Fees (total)	$_____ (insert total Development Fees here)

3 Initial Franchise Fees and Potential Credits

The Initial Franchise Fees are separate from any other pre-opening fees, such as Security Deposit, that may be required under each Franchise Agreement See Sections 3 and 7 of the Agreement for details

Initial Franchise Fees:	**Initial Franchise Fee Due** (note A)	**Portion of Development Fees as Potential Credit towards Initial Franchise Fee** (notes B and C)
First Unit	$35,000	$35,000
Second Unit	Company's then-current Initial Franchise Fee	$17,500
Each Additional Unit in Required Number of Units	Company's then-current Initial Franchise Fee	$17,500

A See Section 7 of the Development Agreement

B This credit will apply at the time Developer signs the Franchise Agreement for each of the Required Number of Units provided that Developer (and affiliates) are in compliance as set forth in Section 3(b) of the Development Agreement

C The total amount of the credits that Company grants to Developer towards Initial Franchise Fees will not exceed the total Development Fees that Developer actually paid to Company

3 Term Extension Fees and Effective Date As described in Section 2(b) of the Development Agreement, Company may in its sole right and discretion offer Developer an opportunity to purchase an extension of the Term The parties acknowledge and agree that, as of the Effective Date (check applicable box)

☐ Developer has not paid a Term Extension Fee and has not purchased any Term Extension Accordingly, as of the Effective Date, the Term will expire as set forth in Section 2(a) of this Agreement

☐ Developer has paid Term Extension Fees in the amount of $_____, which will extend the Term for a period of ____ year[s] Accordingly, as of the Effective Date, the Term will expire ____ year[s] from the date on which the Term would otherwise expire under Section 2(a) of this Agreement

EXHIBIT 2

[SAMPLE] DEVELOPMENT SCHEDULE

All Huddle House Restaurants developed under this Development Schedule will be standard Restaurants Property must be acquired, a Franchise Agreement for each such Huddle House Restaurant must be signed, construction must be completed, all fees must be paid and the franchised businesses must be in operation no later than the following dates in order to comply with the material terms of this Market Development Agreement

Restaurant under this Agreement	**Deadline to Sign Franchise Agreement**	**Deadline for Restaurant Opening**	***Total Number of Restaurants Open as of Opening Deadline**
First	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	1
Second	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	2
Third	**MONTH DAY, YEAR**	**MONTH DAY, YEAR**	3

*Developer understands and agrees that Developer's obligations under the Development Schedule are cumulative, and that by each "Opening Deadline" listed above, Developer must have open and in operation the number of Huddle House Restaurants listed in the column "Total Number of Restaurants Open as of the Opening Deadline "

ACKNOWLEDGMENTS

These Acknowledgments are executed and sealed in connection with Huddle House® Restaurant Unit described on the signature page of these Acknowledgements ("Unit")

ACKNOWLEDGMENT AS TO SEVEN DAY DISCLOSURE

I hereby acknowledge that (Initial One Choice)

_____There have been no unilateral changes to the documents listed below since the date of receipt of the Franchise Disclosure Document on _____ The documents listed below are changed only by the completion of filling in the blanks for the date and name information, and the like Additionally, I have reviewed all aspects of all documents, taken those steps necessary to arrive at a complete understanding of same, and do completely understand all aspects of these documents The Company has not pressured, hurried or coerced me in any way, and I have executed this document as my free act and deed

_____I have had a copy of the documents listed below in my possession for a period of at least seven (7) days after the unilateral changes made by Huddle House, Inc ("Company"), and that I have reviewed all aspects of all documents, taken those steps necessary to arrive at a complete understanding of same, and do completely understand all aspects of these documents The Company has not pressured, hurried or coerced me in any way and I have executed this document as my free act and deed

ACKNOWLEDGEMENTS
FRANCHISE AGREEMENT
PROMISSORY NOTE (if applicable)
REVITALIZATION AMENDMENT (if applicable)
TRAINING AGREEMENT
CERTIFICATE OF MEMBERS
GUARANTY
MEMBERS' GUARANTY AND AGREEMENT
CERTIFICATE OF SECRETARY
CORPORATE RESOLUTION
SHAREHOLDER'S GUARANTY AND AGREEMENT
CORPORATE GUARANTY AND AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE
ANCILLARY DOCUMENTS (BEVERAGE, EQUIPMENT LEASEE, LOYALTY SYSTEMS)
MEMORANDUM OF PREMISES, EQUIPMENT & SIGN OPTION AGREEMENTS
ACKNOWLEDGMENT OF SECURITY AGREEMENT

ACKNOWLEDGMENT AS TO FRANCHISE PERFORMANCE REPRESENTATIONS

I hereby acknowledge that, except for the information contained in Item 19 of Company's Franchise Disclosure Document, Company has not made any oral, written or visual representations to me, or to anyone acting on my behalf concerning the potential or actual sales, income, gross or net profit to be derived from the Unit which is the subject matter of the Franchise Agreement to which this Acknowledgment is attached I further acknowledge and understand that my financial results are likely to differ from those stated in Item 19, and Company has not represented or inferred that I can expect to attain those same sales or costs

I further acknowledge that Company has not provided me any information, whether written or otherwise, as to the historical sales and costs of existing franchisees, except for the disclosures contained in Item 19 of Company's Franchise Disclosure Document

ACKNOWLEDGMENT AS TO ENVIRONMENTAL MATTERS

I do hereby acknowledge that Company recommends, but does not generally require, an Environmental Assessment incident to approval of a franchise I also acknowledge that current federal and state laws impose severe penalties for waste cleanup, which penalties can be assessed against innocent parties based upon their having an interest in contaminated real property If such matters have been of concern to me, I have sought independent legal advice I hereby release Company, and its officers, shareholders, directors, attorneys and employees, in their corporate and individual capacities, from and against any liability arising out of or related to environmental contamination of the restaurant site, and indemnify and hold said parties harmless with regard to any action, cause of action, suit, claim, or liability of any nature whatsoever arising out of or in any way connected with environmental contamination of the restaurant site

ACKNOWLEDGMENT AS TO EQUIPMENT PURCHASE

I do hereby acknowledge that I have purchased or leased the personal property listed on Exhibit B of the Lease, said Agreement made a part hereof by reference, after having had a comparison on the open market No person has required me to purchase said personal property from Company, nor has anyone put any pressure on me to do so I specifically state that neither Company nor any person or persons affiliated with Company has required me to so purchase or put any pressure on me to do so

ACKNOWLEDGMENT AS TO EMPLOYMENT PRACTICES

I hereby acknowledge that, as Operator, I shall be the sole employer of the employees in my franchised restaurant and solely responsible for the labor relations and employment practices in the franchised restaurant location I agree that the employees in my franchised restaurant shall not be employees of Company and that Company shall have no control or liability concerning decisions related to the hiring, promotion, discipline, termination, amount of wages, benefits or scheduling of the employees in my franchised restaurant I agree to indemnify and hold harmless Company from any and all liability, including costs, attorneys' fees, or other monetary damages or equitable relief, which results directly or indirectly from my employees or independent contractors or other persons working on behalf of my franchised restaurant

Huddle House® Restaurant Unit Number. #_____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Date _____

CERTIFICATE OF SECRETARY
OF FRANCHISEE NAME

I, as the undersigned Secretary, do hereby certify that I am the duly elected, qualified and acting Secretary of the entity listed in the "**Franchisee Data**" on the signature page, a corporation duly organized, existing and in good standing under the laws of the State identified in "Franchisee Data" as the state of incorporation (the "**Corporation**"), and in such capacity I have custody and control of the corporate seal and records of the Corporation and the authority to execute this Certificate on behalf of the Corporation Accordingly, on behalf of the Corporation and in my capacity as Secretary, I certify as follows

1 That attached hereto as Schedule A is a true and correct copy of the Articles of Incorporation of the Corporation together with all Articles of Amendment thereto, and the same having been duly adopted and filed in the office of the Secretary of State of the State of Incorporation, are in full force and effect, and have not been amended, modified or rescinded except as set forth therein

2 That attached hereto as Schedule B is a true and correct copy of the By-laws of the Corporation together with all amendments thereto, and the same are in full force and effect and have not been amended, modified, or rescinded, except as set forth therein

3 That the persons named in the "Franchisee Data" below as "**Officers**" are and have been duly elected and qualified and are currently acting in their respective corporate capacities as set forth below and that the signature of each Officer affixed above their respective name is a true and genuine signature of such person

4 That the persons listed in the "Franchisee Data" below as "**Directors**" are the duly elected and presently acting directors of the Corporation

5 That the information listed in the "Franchisee Data" below as "**Shareholders**" is a true, complete and accurate list of all of the legal and equitable owners of all the Corporation's outstanding and issued stock, their current addresses and the number of shares owned by each and that all such issued stock is fully paid and non-assessable

6 That the following is a true, complete and correct copy of certain resolutions which were adopted by the shareholders of the Corporation in accordance with the By-laws, effective on or before the Effective Date of the Franchise Agreement referenced below and that such resolutions are in full force and effect, have not been modified, amended, altered or repealed, and are in conformity with and do not violate the Articles of Incorporation or the Shareholders Management Agreement of the Corporation

RESOLVED that the Shareholders of the Corporation hereby approve the execution and delivery by the Corporation of a franchise agreement concerning the operation of the Huddle House® Restaurant Unit described below in "Franchisee Data" (the "**Franchise Agreement**") located on the real property described on Exhibit A attached to the Franchise Agreement, which is as of even date herewith and made a part hereof by reference and (hereinafter called "**Premises**"), and

FURTHER RESOLVED that the undersigned President and Secretary are hereby authorized to cause the Corporation to execute and deliver under seal or otherwise any and all agreements, contracts, leases, real and personal, easements, assignments, financing statements, vending machine agreements, any modifications and amendments to such documents, and to expend such sums, make and deliver security or other deposits and establish any necessary escrows, all as may be contemplated in the Franchise Agreement, required by

Huddle House, Inc or its counsel or deemed necessary by the President and Secretary of the Corporation's counsel in order to effect the purposes of the foregoing Resolutions, and

FURTHER RESOLVED, that the Shareholders, in accordance with the terms and conditions of the Franchise Agreement, hereby directs the officers of the Corporation to cause a legend to be placed on the back of all share certificates of the Corporation, in the following form

> "The sale, transfer, pledge or hypothecation of this stock is restricted pursuant to Section 13 of the Franchise Agreement between Huddle House, Inc , its successors and assigns, and the issuer of these shares "

FURTHER RESOLVED, that any and all action heretofore taken by any officer or officers of the Corporation to execute and deliver any of the agreements, instruments, documents, authorized by the foregoing Resolutions are hereby approved, ratified and confirmed in all respects

(signature page follows)

IN WITNESS WHEREOF, I have affixed my hand and the seal of the Corporation on the date written below

_____
FRANCHISEE SIGNATORY2, Secretary

The undersigned, President of the Corporation, hereby certifies that FRANCHISEE SIGNATORY2 is the duly and validly elected and qualified Secretary of the Corporation and the signature appearing above is her/his true and genuine signature

_____
FRANCHISEE SIGNATORY1, PRESIDENT
Date _____

Franchisee Data

Corporation FRANCHISEE NAME
State of Incorporation STATE

For Huddle House® Restaurant Unit Number #_____

Officers

President _____
FRANCHISEE SIGNATORY1

Secretary _____
FRANCHISEE SIGNATORY2

Directors

FIRST PRINCIPAL
SECOND PRINCIPAL

Shareholders - Name, address and number of shares

FIRST PRINCIPAL - __ shares
PRINCIPAL 1 STREET ADDRESS
PRINCIPAL ONE CITY, STATE 00000

SECOND PRINCIPAL – __ shares
PRINCIPLE 2 STREET ADDRESS
PRINCIPLE 2 CITY, STATE 00000

SCHEDULE A TO CORPORATE RESOLUTION

SUBSTITUTE ARTICLES OF INCORPORATION

SCHEDULE B TO CORPORATE RESOLUTION

SUBSTITUTE BY-LAWS

CERTIFICATE OF THE MEMBERS
OF FRANCHISEE NAME

The undersigned hereby certify that they are all of the members of the entity listed in "**Franchisee Data**" on the signature page, a limited liability company duly organized, existing and in good standing under the laws of the state of identified in "Franchisee Data" as the "**State of Organization**" (the "**Company**"), and in such capacity they are authorized to execute this Certificate on behalf of the Company and

1 That attached hereto as Schedule A is a true and correct copy of the Articles of Organization of the Company together with all Articles of Amendment thereto, and the same having been duly adopted and filed in the office of the Secretary of State of Organization, are in full force and effect, and have not been amended, modified or rescinded except as set forth therein

2 That attached hereto as Schedule B is a true and correct copy of the Operating Agreement of the Company together with all amendments thereto, and the same are in full force and effect and have not been amended, modified, or rescinded, except as set forth therein

3 That the persons named in the "Franchisee Data" below as "**Members**" are the members of the Company, and that the signature set forth above his or her name is his or her signature

4 That the following is a true, complete and correct copy of certain resolutions which were duly adopted by the Members of the Company in accordance with the Operating Agreement, effective on or before the Effective Date of the Franchise Agreement referenced below and that such resolutions are in full force and effect, have not been modified, amended, altered or repealed, and are in conformity with and do not violate the Articles of Organization or the Operating Agreement of the Company

RESOLVED that the Members of the Company hereby approve the execution and delivery by the Company of a franchise agreement concerning the operation of the Huddle House® Restaurant Unit described below in "Franchisee Data" (the "**Franchise Agreement**") located on the real property described on Exhibit A attached to a Franchise Agreement, which is as of even date herewith and made a part hereof by reference and (hereinafter the "**Premises**")

FURTHER RESOLVED that the Members are hereby authorized to cause the Company to execute and deliver under seal or otherwise any and all agreements, contracts, leases, real and personal, easements, assignments, financing statements, vending machine agreements, any modifications and amendments to such documents, and to expend such sums, make and deliver security or other deposits and establish any necessary escrows, all as may be contemplated in the Franchise Agreement, required by Huddle House, Inc or its counsel or deemed necessary by the President and Secretary of the Corporation's counsel in order to effect the purposes of the foregoing Resolutions

FURTHER RESOLVED, that any and all action heretofore taken by any Member or Members of the Company to execute and deliver any of the agreements, instruments, and documents, authorized by the foregoing Resolutions are hereby approved, ratified and confirmed in all respects

(signature page follows)

IN WITNESS WHEREOF, I have affixed my hand and the seal of the Company as of the date written below

MEMBERS

_____
FIRST PRINCIPAL

_____
SECOND PRINCIPAL

Date _____

Franchisee Data

Company FRANCHISEE NAME
State of Organization STATE

For Huddle House® Restaurant Unit Number #_____

Members

_____
FIRST PRINCIPAL
PRINCIPAL 1 STREET ADDRESS
PRINCIPAL ONE CITY, STATE 00000

_____
SECOND PRINCIPAL
PRINCIPLE 2 STREET ADDRESS
PRINCIPLE 2 CITY, STATE 00000

SCHEDULE A TO LLC RESOLUTION

ARTICLES OF ORGANIZATION

SCHEDULE B TO CORPORATE RESOLUTION

OPERATING AGREEMENT

GUARANTY

As an inducement to HUDDLE HOUSE, INC ("**Company**") to execute the Huddle House Unit Franchise Agreement with the individual or legal entity identified as the Operator on the signature page of this Guaranty ("**Operator**") concerning the operation of the Huddle House® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith (the "**Agreement**") and made a part hereof by reference (hereinafter called "**Premises**"), the undersigned (if more than one, jointly and severally) do hereby agree to be bound by all terms of the Agreement and any amendments thereof, and supplements thereto, including all addenda, schedules and exhibits and any agreements between Operator and Company (or its affiliates) relating to Operator's financing, now or hereafter existing, and irrevocably, unconditionally and personally guarantee to Company, its affiliates, successors and assigns, that all of Operator's obligations thereunder will be punctually paid and performed The undersigned waive, to the extent permitted by applicable law, notice of acceptance, notice of default, presentment and demand Upon default by Operator and receipt of written notice from Company, the undersigned will immediately make each payment and perform or cause to be performed each obligation of Operator under the Agreement and related agreements as described above Company may to the extent permitted by applicable law (without affecting any obligation of any of the undersigned) waive any Operator default, extend any Operator cure period, or settle, adjust, compromise or release any indebtedness of or claims against Operator The undersigned waive notice of amendment of the Agreement, and demand for payment or performance by Operator The undersigned further waive the defenses of novation, increase in risk, release or compounding of any other guarantor, or any requirement that Company first exhaust other remedies, resort to any collateral, or proceed to collect any amounts due from Operator, this Guaranty being a primary obligation of the undersigned and guarantee of payment and performance, not of collection Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty with respect to any defaults existing at the time of death, and, if more than one, the obligations of the other undersigned guarantors will continue in full force and effect without change

This Guaranty, the Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner Therefore, the parties hereby agree as follows

(a) The following courts shall have personal jurisdiction over Operator and the undersigned in all lawsuits or actions for equitable relief relating to or arising out of this Guaranty, the Agreement and related agreements and the parties hereby waive any defense of lack of personal jurisdiction in any such lawsuit filed in these courts (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts, and (B) all the United States District Courts sitting within the State of Georgia

(b) The undersigned consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Agreement and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts (A) the Superior Court of Fulton County, Georgia, and (B) the United Stated District Court for the Northern District of Georgia, Atlanta Division In the event any of these courts are abolished, Operator and the undersigned each agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished All lawsuits filed by Operator or the undersigned against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts, provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such

lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper Lawsuits filed by Company against Operator or the undersigned may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper

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

The undersigned agrees to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Section 12 of the Agreement to the same extent as and for the same period of time as Operator is required to comply with and abide by such covenants and provisions These obligations of the undersigned shall survive any expiration or termination of this Guaranty The undersigned acknowledges that he or she is one of the owners of the Operator and is serving in a managerial capacity in the operation of the Franchised Business (as defined in the Agreement)

Operator· FRANCHISEE NAME
a STATE ENTITY TYPE

For Huddle House® Restaurant Unit Number: #_____

GUARANTORS

_____ _____
[FIRST PRINCIPAL], individually

_____ _____
[SECOND PRINCIPAL], individually

Date _____

SHAREHOLDERS' GUARANTY AND AGREEMENT

This Guaranty and Agreement made as of even date as the Agreements referenced below, for the benefit of HUDDLE HOUSE, INC (hereinafter known as "**Company**"), by the undersigned (if more than one, jointly and severally) (hereinafter collectively known as "**Shareholders**")

WITNESSETH

WHEREAS, Shareholders desire to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty, (hereinafter known as "**Operator**"), concerning the operation of the Huddle House® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Shareholders agree to comply with the terms and conditions of this Shareholders' Guaranty and Agreement

NOW THEREFORE, for and in consideration of the sum, of Ten Dollars ($10 00) paid to Company by Shareholders, for the purpose of inducing Company to enter into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows

1 Shareholders hereby jointly and severally unconditionally guarantee the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator

2 Shareholders hereby jointly and severally covenant and agree that they shall not sell, assign, mortgage, pledge or otherwise hypothecate, make a gift or otherwise dispose of any or all of their shares of the capital stock of Operator without the written consent of Company

3 Shareholders do hereby covenant and agree that they shall cause a reference to this restriction to appear on each and every share of capital stock of Operator owned by them

4 Shareholders hereby jointly and severally covenant and agree that so long as the Agreements shall remain in force and effect they shall not engage in any business the same as or similar to the business covered by the Agreements at any place within a five (5) mile radius of said Premises which are the subject matter of the Agreements, excluding other Huddle House Restaurants (if any) owned or operated by Shareholders

5 Shareholders do hereby acknowledge a financial interest in Operator and do represent that as to them the Agreements constitutes a benefit

6 This guaranty and agreement shall continue in full force and effect so long as the Agreements remain in force and effect and Shareholders shall not be released from their obligations hereunder so long as any claim of Company against Operator is not settled or discharged in full

7 It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Shareholders, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Shareholders hereunder

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements,

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements,

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other Shareholders or Operator's debts or transactions, or any collateral or security held by Company, and

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Shareholders' obligations hereunder, or make performance by Operator more difficult

8 Shareholders waive presentment, demand, notice of dishonor, protest and all other notices whatsoever and agree that Company, may proceed by suit against any Shareholders hereunder, or Operator and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them

9 The term "Shareholders" as used in this Agreement or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party

10 This Guaranty and Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties

11 This Guaranty and Agreement, the Agreement, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner Therefore, the parties hereby agree as follows

(a) Operator and Shareholders consent and agree that the following courts shall have personal jurisdiction over Operator and Shareholders in all lawsuits or actions for equitable relief relating to or arising out of this Agreement and related agreements and hereby waives any defense of lack of personal jurisdiction in any such lawsuit filed in these courts (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts, and (B) all the United States District Courts sitting within the State of Georgia

(b) Operator and Shareholders consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Agreement and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts (A) the Superior Court of Fulton County, Georgia, and (B) the United Stated District Court for the

Northern District of Georgia, Atlanta Division In the event any of these courts are abolished, Operator and Shareholders agree that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished All lawsuits filed by Operator or Shareholders against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts, provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper Lawsuits filed by Company against Operator or Shareholders may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper

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

For Huddle House® Restaurant Unit Number· #_____

Operator FRANCHISEE NAME
a STATE ENTITY TYPE

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement under seal on the date written below

SHAREHOLDERS

_____(SEAL)
FIRST PRINCIPAL, individually

_____(SEAL)
SECOND PRINCIPAL, individually

Date _____

MEMBERS' GUARANTY AND AGREEMENT

This Guaranty and Agreement made as of even date as the Agreements referenced below, for the benefit of HUDDLE HOUSE, INC (hereinafter known as "**Company**"), by the undersigned (if more than one, jointly and severally), (hereinafter collectively known as "**Members**")

WITNESSETH

WHEREAS, Members desire to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty (hereinafter known as "**Operator**"), concerning the operation of the Huddle House® Restaurant Unit identified on the signature page of this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference and (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Members agree to comply with the terms and conditions of this Members' Guaranty and Agreement

NOW THEREFORE, for and in consideration of the sum, of Ten Dollars ($10 00) paid to Company by Members, for the purpose of inducing Company to enter into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows

1 Members hereby jointly and severally unconditionally guarantee the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator

2 Members hereby jointly and severally covenant and agree that they shall not sell, assign, mortgage, pledge or otherwise hypothecate, make a gift or otherwise dispose of any or all of their ownership interest in Operator without the written consent of Company

3 Members do hereby covenant and agree that they shall cause a reference to this restriction to appear on each and every certificate of ownership of Operator owned by them

4 Members hereby jointly and severally covenant and agree that so long as the Agreements shall remain in force and effect they shall not engage in any business the same as or similar to the business covered by the Agreements at any place within a five (5) mile radius of said Premises which are the subject matter of the Agreements, excluding other Huddle House Restaurants (if any) owned or operated by Members

5 Members do hereby acknowledge a financial interest in Operator and do represent that as to them the Agreements constitute a benefit

6 This guaranty and agreement shall continue in full force and effect so long as the Agreements remain in force and effect and Members shall not be released from their obligations hereunder so long as any claim of Company against Operator is not settled or discharged in full

7 It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Members, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Members hereunder

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements,

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements,

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other Members or Operator's debts or transactions, or any collateral or security held by Company, and

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Members' obligations hereunder, or make performance by Operator more difficult

8 Members waive presentment, demand, notice of dishonor, protest and all other notices whatsoever and agree that Company, may proceed by suit against any Members hereunder, or Operator and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them

9 The term "Members" as used in this Agreement or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party

10 This Guaranty and Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties

11 This Guaranty and Agreement, the Agreement, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner Therefore, the parties hereby agree as follows

(a) Operator and Members consent and agree that the following courts shall have personal jurisdiction over Operator and Members in all lawsuits or actions for equitable relief relating to or arising out of this Agreement and related agreements and hereby waives any defense Members may have of lack of personal jurisdiction in any such lawsuit filed in these courts (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts, and (B) all the United States District Courts sitting within the State of Georgia

(b) Operator and Members consent and agree that venue shall be proper in any of the following courts in all lawsuits or actions for equitable relief relating to or arising out of this Agreement and related agreements and hereby waive any defense of improper venue in any such lawsuits filed in these courts (A) the Superior Court of Fulton County, Georgia, and (B) the United Stated District Court

for the Northern District of Georgia, Atlanta Division In the event any of these courts are abolished, Operator and Members agree that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished All lawsuits filed by Operator or Members against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts, provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper Lawsuits filed by Company against Operator or Members may be filed in any of the courts named in this Section (b) or in any court in which jurisdiction and venue are otherwise proper

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

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

For Huddle House® Restaurant Unit Number #_____

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement under seal on the date written below

MEMBERS

_____
FIRST PRINCIPAL, individually

_____
SECOND PRINCIPAL, individually

Date _____

STATE OF GEORGIA

COUNTY OF FULTON

GUARANTY AGREEMENT

This Guaranty Agreement made as of even date as the Agreements referenced below, for the benefit of HUDDLE HOUSE, INC (hereinafter known as "**Company**"), the undersigned (hereinafter known as "**Guarantor**")

WITNESSETH

WHEREAS, Guarantor desires to induce Company to enter into a Franchise Agreement and related documents with the individual or the legal entity identified as the Operator on the signature page of this Guaranty (hereinafter known as "**Operator**"), concerning the operation of the Huddle House® Restaurant Unit identified on the signature page of this this Guaranty, to be located on the real property described on Exhibit A attached to a Franchise Agreement of even date herewith and made a part hereof by reference and (hereinafter called "**Premises**"), said Franchise Agreement and related documents being hereinafter collectively known as "**Agreements**", and

WHEREAS, Company is willing to enter into said Agreements only if Guarantor agrees to execute and comply with the terms and conditions of this Guaranty Agreement, and

WHEREAS, Guarantor desires to execute and deliver this Guaranty Agreement because Guarantor has a substantial interest in Operator and will receive a direct benefit by Company entering into the Agreements with Operator,

NOW THEREFORE, for and in consideration of Company to entering into the Agreements with Operator and for other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by the parties, it is agreed and contracted as follows

1 Guarantor hereby unconditionally guaranties the prompt and complete performance by Operator of all the covenants and conditions contained in the Agreements and the payment of all damages, costs and expenses which by virtue of the Agreements might become recoverable by Company from Operator (the "**Guarantied Obligations**")

2 Guarantor does hereby acknowledge that this Guaranty Agreement constitutes a legal, valid and binding obligation of Guarantor, and is fully enforceable according to its terms

3 Guarantor does hereby acknowledge a financial interest in Operator and does represent that as to them the Agreements constitute a benefit

4 Guarantor does hereby acknowledge that its liability under this Guaranty Agreement is present, absolute, unconditional, continuing, primary, direct and independent of the obligations of Operator Company shall not be required to pursue any other remedies before invoking the benefits of this Guaranty Agreement, including, without limitation, its remedies under the Agreements With regard to any rights which may accrue to Company under or in connection with the Agreements, Company may, at its option, look to Guarantor for the performance of the Guarantied Obligations to the extent provided herein, without having first commenced any action or proceeding against Operator or any other party, and without having first obtained any judgment against Operator or any other party

5 The liability of Guarantor shall remain and continue in full force and effect notwithstanding (a) the non-liability of Operator for any reason whatsoever of payment or performance of the Guaranteed Obligations or any part thereof, (b) the release of Operator from the observance of any of the covenants, terms, or conditions contained in the Agreements by operation of law, (c) any defenses or rights of set off or counterclaims which Operator may assert, (d) any failure of Company to inform Guarantor of any facts Company may now or hereafter know about Operator, the Agreements or the franchise contemplated in connection therewith, it being understood and agreed that Company has no duty to so inform, it being the intention that Guarantor shall remain liable hereunder until the Guaranteed Obligations of Operator shall have been fully paid, performed and observed by Operator

6 It is agreed that Company shall have the full right, in its sole discretion, and without any notice to or consent from the Guarantor, from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, the liability of Guarantor hereunder

(a) To make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreements,

(b) To extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreements,

(c) To settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against Operator or any other party or Operator's debts or transactions, or any collateral or security held by Company,

(d) To enter into any alteration or modification of the Agreements regardless of whether said alteration or modification would increase the extent of Guarantor's obligations hereunder, or make performance by Operator more difficult, and

(e) To take other guarantees, collateral or security with respect to the Guaranteed Obligations

7 Guarantor hereby waives (a) any right to require Company to proceed against Operator or to pursue any other remedy or collateral to which Company may be entitled, as Guarantor agrees that Company may proceed by suit against Guarantor or Operator, and without first or contemporaneously suing such other person or persons, or otherwise seeking or preceding to collect from them, (b) notice of acceptance, presentment, demand, protest, nonpayment, default, dishonor and all other notices whatsoever, and (c) the defenses of novation, increase in risk, release or compounding of any other guarantor

8 No failure, omission or delay on the part of Company in exercising any rights hereunder or in taking any action to collect or enforce performance of the Guaranteed Obligations or in enforcing performance of any covenant, term or condition to be performed under the Agreements, either against Operator or any other party, shall operate as a waiver of any such right or in any manner prejudice the rights of Company against Guarantor

9 The term "Guarantor" as used in this Guaranty Agreement or any pronoun used in place thereof shall include male, female, singular and plural, corporation, partnership, or individual as may fit the particular party

10 This Guaranty Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, executors and successors, shall be construed equally between the parties

11 This Guaranty Agreement, the Agreements, and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner Therefore, the parties hereby agree as follows

(a) The following courts shall have personal jurisdiction over Guarantor in all lawsuits relating to or arising out of this Guaranty Agreement and the Agreements and hereby waives any defense Guarantor may have of lack of personal jurisdiction in any such lawsuit filed in these courts (A) all courts included within the state court system of the State of Georgia including, without limitation, the Superior Courts, and (B) all the United States District Courts sitting within the State of Georgia

(b) Venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Guaranty Agreement and the Agreements and Guarantor hereby waives any defense it may have of improper venue in any such lawsuits filed in these courts (A) the Superior Court of Fulton County, Georgia, and (B) the United Stated District Court for the Northern District of Georgia, Atlanta Division In the event any of these courts are abolished, Guarantor agrees that venue shall be proper in the state or federal court in Georgia which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished All lawsuits filed by Guarantor against Company relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts, provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper Lawsuits filed by Company against Guarantor may be filed in any of the courts named in this subparagraph (b) or in any court in which jurisdiction and venue are otherwise proper

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

(d) Guarantor shall pay all reasonable attorneys' fees and associated costs incurred by Company in the enforcement of this Guaranty Agreement

12 No provision hereof shall be modified or limited except by written agreement signed by Company and Guarantor

13 In case any one or more provisions of this Guaranty Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof

Operator: FRANCHISEE NAME
a STATE ENTITY TYPE

For Huddle House® Restaurant Unit Number: #_____

IN WITNESS WHEREOF, the undersigned hereto have duly executed this Agreement under seal on the date written below

GUARANTOR

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

By _____
FRANCHISEE SIGNATORY, TITLE

Date _____

TRAINING AGREEMENT

THIS TRAINING AGREEMENT (the "Agreement") is entered into as of the Effective Date of the Franchise Agreement, which is described below, by and between HUDDLE HOUSE, INC , a Georgia corporation, (hereinafter known as "**Company**") and the individual or legal entity identified as the Operator on the signature page of this Agreement (hereinafter known as "**Operator**")

W I T N E S S E T H

WHEREAS, the Operator has entered into or is about to enter into a Huddle House Franchise Agreement with Company (the "**Franchise Agreement**"), pursuant to which Company will authorize Operator to operate the Huddle House® Restaurant Unit Number identified on the signature page of this Agreement

WHEREAS, pursuant to such Franchise Agreement, the Operator agrees to participate in a training program (the "**Training Program**") conducted by Company to provide training to the Operator and/or its designated manager (the "**Employees**"), and

WHEREAS, in order to conduct the Training Program, Company will permit the Employees to work and/or participate in the operation of a restaurant either owned and operated by Company or by another franchisee of Company (the "**Third Party Franchisee**"), and

WHEREAS, Company and the Operator desire to clarify the status of such Employees while they are working and/or participating in such restaurant operations, and

WHEREAS, Company desires to confirm that Operator has been satisfactorily trained by Company's Training Program to operate its licensed restaurant and Company seeks Operator's acknowledgment of the same,

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Operator and Company hereby agree as follows

1 Indemnification The Operator shall be responsible for all loss or damage originating from, or in connection with, the activities of the Employees while participating in the operation of any restaurants owned and/or operated by Company or a Third Party Franchisee and for all claims or demands for damages to property or for the injury, illness, or death of persons directly or indirectly resulting therefrom The Operator agrees to defend, indemnify, and hold harmless Company and any Third Party Franchisee from and against any and all losses, liabilities, damages, costs, expenses (including, but not limited to, any reasonable attorneys' fees incurred by Company or any such Third Party Franchisee) and claims arising from injury or damage to (which shall include, without limitation, the loss of) any person or property occasioned by any act or acts, omissions, or commissions of the Operator or any of its employees, agents, or contractors (including, but not limited to, the Employees) with respect to, or arising out of, or related to, the activities, presence, or participation in such restaurant operations by the Employees at restaurants owned and/or operated by Company and any Third Party Franchisee, including, but not limited to, claims by any of the Employees for injuries, wages, or benefits The obligation of the Operator to defend, indemnify, and hold Company or a Third Party Franchisee harmless as set forth in this Section 1 shall survive the termination of the training pursuant to this Agreement and shall survive the termination of this Agreement

2 Insurance With respect to the activities, presence, or participation in restaurant operations by the Employees that are restaurants owned and/or operated by Company or a Third Party Franchisee, the Operator agrees to obtain a commercial general liability policy at its own cost with such limits as the Operator shall from time to time determine, which limits shall be not less than One Million Dollars ($1,000,000) per each Occurrence and Two Million Dollars ($2,000,000) General Aggregate, Two Million Dollars ($2,000,000) Products/Completed Operations Aggregate, One Million Dollars ($1,000,000) Personal Injury and Advertising Injury, and Fifty Thousand Dollars ($50,000) for property damage, which shall further specifically insure the Operator's obligation to indemnify Company and any Third Party Franchisee under this Agreement The Operator hereby agrees that Company and any Third Party Franchisee shall be named as additional insureds under each of such policies and the Operator shall provide to Company, prior to the commencement of training of the Operator's Employees pursuant to this Agreement, an insurance certificate specifying Company and Third Party Franchisee as additional insureds with respect to liability arising out of the operations of the named insured or the performance of this Agreement All such policies shall contain endorsements requiring the insurance company to give Company and any Third Party Franchisee at least thirty (30) days' written notice before terminating, canceling, or altering the terms of any such policy The Operator also shall obtain, at its own cost, the worker's compensation insurance policy covering the Employees as required by applicable law If the Operator at any time fails or refuses to maintain any insurance coverage required by Company or to furnish satisfactory evidence thereof, Company, at its option and in addition to its other rights and remedies, may obtain, but shall not be obligated to obtain, such insurance coverage on behalf of the Operator, and the Operator shall reimburse Company on demand for any costs and premiums incurred by Company in connection with obtaining such insurance Notwithstanding the existence of any insurance, the Operator, as agreed above, is and shall be responsible for all loss or damages originating from or in connection with the activities, presence, or participation in restaurant operations of the Operator's Employees at restaurants owned and/or operated by Company or a Third Party Franchisee, and for all claims or demands for damages to property or for injury, illness, or death of persons directly or indirectly resulting therefrom

3 Training Fees and Reimbursement to Company Operator agrees to pay Company's then-current training fee, which amount is non-refundable and due in full to Company before Operator's Employees begin to participate in the Training Program The Operator hereby agrees to reimburse Company or a Third Party Franchisee for any costs and expenses paid or advanced by Company or a Third Party Franchisee in connection with the training of the Operator's Employees hereunder, including, without limitation, wages, F I C A , federal withholding taxes, and any other taxes or payments withheld from or required to be paid with respect to wages

4 Acknowledgment of Training The Operator hereby agrees that upon completion of the Training Program, Operator shall execute an Acknowledgment of Training stating that Operator has received satisfactory training to operate its licensed restaurant If Operator believes that it has not been adequately trained pursuant to the Training Program, Operator agrees that it will notify Company of the same immediately upon completion, or premature termination, of the Training Program and that it will either (i) repeat the Training Program or (ii) designate a substitute individual to attend the Training Program

5 Employee Benefits The Operator hereby agrees and acknowledges that the Operator is solely responsible for obtaining and providing any and all employee benefits for the Employees including, but not limited to, health and disability insurance, life insurance, and any other employee benefits Neither Company nor any Third Party Franchisee shall have any responsibility in that regard

6 Default, Termination The failure of the Operator to perform any of its agreements or covenants contained in this Agreement shall constitute a default under this Agreement and the Franchise Agreement and any further obligation of Company hereunder or under the Franchise Agreement may be terminated by Company, provided, however, that the obligations of the Operator pursuant to Sections 1

through 5 hereof shall survive termination of this Agreement and shall continue to be binding upon the Operator in consideration of Company's agreement to enter into this Agreement and the Franchise Agreement

7 Validity of Provisions In the event any provision or term of this Agreement should be determined to be invalid or unenforceable, all other provisions and terms of this Agreement and the application thereof to all persons and circumstances subject thereto shall remain unaffected and in full force and effect to the extent permitted by law If any application of any provision or term of this Agreement to any person or circumstance should be determined to be invalid or unenforceable, the application of such provision or term to other persons and circumstances shall remain unaffected to the extent permitted by law

8 Construction As herein used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, unless the context would clearly not admit such construction This Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia Section or paragraph headings are employed herein solely for convenience of reference, and such headings shall not in any way affect the meaning, validity, or enforceability of any term or provision of this Agreement All references herein to "section" or "paragraph" shall mean the appropriate numbered section or paragraph of this Agreement except where reference is particularly made to some other instrument or document

9 Binding Effect This Agreement shall be binding upon the parties hereto and their successors and assigns Any Third Party Franchisee is an intended third party beneficiary of this Agreement

10 Entire Agreement This Agreement constitutes the entire agreement between the parties relating to the matters addressed herein and supersedes all prior agreements, either written or oral, that may have existed between them No representation, promise, condition, warranty, or understanding, either express or implied, other than herein set forth, shall be binding upon any of the parties hereto None of the provisions of this Agreement shall be waived, altered, or amended except in a writing signed by the party to be bound thereby, provided, however, the Employees covered by this Agreement may be identified by notice from Company to Operator without the requirement of Operator's signature

For Huddle House® Restaurant Unit Number #_____

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

LEASE AGREEMENT

THIS LEASE, effective the _____ (hereinafter called "**Effective Date**") between HUDDLE HOUSE, INC , a Georgia corporation, First Party (hereinafter called "**Lessor**"), and [FRANCHISEE NAME] Second Party (hereinafter called "**Lessee**")

WITNESSETH

1 **Premises Leased.** Lessor does hereby rent and lease to the Lessee the building which is located on the real property more particularly described on Exhibit "A" attached hereto and made a part hereof by reference, and commonly known as [UNIT NO AND ADDRESS WITH COUNTY] (hereinafter called "**Premises**") Premises includes the [land, building, equipment, signs] or [except for equipment and signs] together with any improvements thereon [Said equipment and signs are more particularly described in Exhibit "D" attached hereto]

2. **Term of Lease** The Lease shall commence on the "**Commencement Date**", being the date hereof [or the date improvements to the Premises as specified herein are properly and substantially completed and any Certificates of Occupancy required by local governmental authorities have been issued and received] The initial term of the Lease shall end at 11 59 p m on [DATE], fifteen (15) years after the last day of the month of the Commencement Date

3. **Renewal** If Lessee is not in default hereunder, it shall have the right to renew and extend this Lease for an additional three (3) five (5) year periods, upon the same terms and conditions as herein stated except as provided herein, if Lessee also on each occasion exercises any right it may have to renew the Huddle House® Unit Franchise Agreement dated the [CLOSING DATE], by and between Lessee and Lessor (the "**Franchise Agreement**"), upon the same terms and conditions as herein stated Written notice of Lessee's election to exercise this option shall be given to Lessor not less than six (6) months prior to the date of termination of the initial term or the date of termination of any renewal period hereof

4. **Rental.** Lessee shall pay to Lessor at Lessor's office at the address for notices set forth below promptly on the first day of each month in advance, during the initial term of this Lease and during the term of any renewal term of this Lease, a monthly base rental ("Rent") as measured from the last day of the month of the Commencement Date, during years

YEARS	MONTHLY RENT

In addition, Lessee shall pay common area maintenance fees, management fees, apportioned Lessor costs of maintaining the Premises, capital improvements, expenditures and the like (collectively "**CAM**") each month when Rent is due, calculated by Lessor in installments equal to the estimated CAM charges for the current year On or before the thirtieth (30th) day following the end of each calendar year and, on or before the thirtieth (30th) day following the expiration or earlier termination of this Lease, Lessor and Lessee shall make an adjustment to the CAM paid for any actual reconciliation

Lessee shall pay a "Late Charge" of 5% of any rental due that is not paid within three (3) days of when due

5 **Covenant of Quiet Enjoyment** Lessee, upon payment of the rent herein reserved and upon the performance of all of the terms of this Lease, shall at all times during the lease term and during any extension or renewal term, peaceably and quietly enjoy the Premises without any disturbance from Lessor or from any other person claiming through Lessor

6. Use of Premises Premises shall be used solely for the operation of a Huddle House® Restaurant pursuant to the Franchise Agreement and shall be operated subject to the terms and conditions of the Franchise Agreement Premises shall not be used for any illegal purposes nor in violation of any valid regulation of any governmental body, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on Premises Lessee agrees not to abandon or vacate Premises during the period of this Lease, and agrees to use said Premises for the purpose herein leased until the expiration hereof

7. Repairs Lessee agrees at his own expense to keep and maintain the Premises, and appurtenances and every part thereof in good order and repair during the term hereof, and Lessor shall not be responsible or liable for any repairs or replacements Upon Lessee taking possession, Lessee shall be conclusively presumed to have accepted the Premises, in its then condition, as being suited for Lessee's use Thereafter, Lessee shall effect and bear the expense of all necessary repairs, maintenance, operation and replacements Lessee's obligation to repair and maintain shall include but shall not be limited to the following

a The keeping of the heating, air conditioning, water, sewer, electrical and sprinkler systems (if any) together with all fixtures pertaining thereto in good order and repair, and

b The proper oiling of all equipment on the Premises and the replacement of Freon and filters, and

c The cleaning, keeping in good order and repair, and striping of the parking lot and driveway pavement, and

d All other repairs, maintenance, replacements, cleaning and upkeep of Premises of any kind or nature whatsoever

e Lessor may inspect the Premises at any time for compliance with this provision Within two (2) weeks from the termination, expiration, non-renewal, abandonment by Lessee, or any other reason the Lease is no longer in force or the Lessee is no longer open and operating at the Premises, Lessor will inspect ("Final Inspection") the Premises and notify Lessee of any deficiencies or default of this provision within two (2) weeks of performing the Final Inspection Lessee will pay Lessor for the actual cost of any repairs, maintenance, and replacements for which Lessee is responsible pursuant to this provision within three (3) days of receiving said notice

Lessee shall at all times maintain the Premises in a clean and sanitary condition, making or causing to be made, all repairs and performing all maintenance, painting, repairing and cleaning procedures as Lessor may reasonably deem necessary and proper In the event that at any time, Lessee shall fail to maintain the Premises as herein required, such failure shall constitute a default under the terms of this Lease In such event, Lessor shall have the right, at its election, (without being obligated to do so) to cause such work to be performed as it may deem reasonably necessary and proper and Lessee shall promptly pay the cost of such work to Lessor, together with interest at the rate of 12% per annum for all amounts so advanced Lessee shall not attach, affix or exhibit, or permit to be attached, affixed or exhibited, on the Premises or any part thereof any articles of a permanent character or any signs without the written consent of Lessor Lessee shall not make any changes or alterations in the Premises without the written consent of Lessor

Lessee shall be responsible for and shall pay all costs and expenses of every kind and character resulting from, necessary to and/or arising out of the installation and connection of all restaurant equipment in the building on the Premises Said costs shall include but shall not be limited to plumbing and electrical expenses

8. Taxes

a In addition to base rent, Lessee shall pay, bear and discharge all federal, state, county and city taxes (including but not limited to ad valorem taxes, use tax, special assessments, governmental charges, sanitary, sewer, school district and fire district levies) upon Premises, and any improvements or additions thereto or thereon In the event the Premises are less than the entire property assessed for such tax for any such tax year, then the tax for any such year applicable to the Premises shall be determined by proration on the basis that the area of the Premises bears to the area of the entire property assessed If the first or final year of this Lease fails to coincide with the tax year, then said taxes shall be reduced by the prorata part of such tax before or beyond the Lease term Should Lessee fail to pay said taxes within fifteen (15) days after notice of same being due, the said failure to pay shall be a default hereunder and Lessor may, at its option take such action as is herein provided for failure to pay rent hereunder

b In order to assure that Lessee complies with its obligations under sub-paragraph a hereof, Lessee shall pay to Lessor a sum equal to all State, County and City taxes (including, but not limited to, ad valorem taxes, use taxes, special assessments an governmental charges and levies) imposed upon the Premises, and any improvements or additions, thereto or thereon, next due or accrued and as same shall accrue from tax period to tax period, divided by the number of months to elapse before one month prior to the date when such taxes will become delinquent, such sums to be held by Lessor to pay said taxes, payments shall be based on the taxes for the previous taxing period Appropriate adjustments shall be made when the proper amount is known

c If the total of the payments made by Lessee under subparagraph b above shall exceed the amount of payments actually made by Lessor for taxes, such excess shall be credited by Lessor on subsequent payments sufficient to pay the taxes when same shall become due and payable If Lessee underpays the taxes made by Lessee under subparagraph b above, then Lessee shall pay to Lessor any amount necessary to make up the deficiency, on or before the date when payment of such taxes be due

d Failure of Lessee to make the payments required by this section shall have the same consequences as failure to pay rent promptly when due

e PRIOR TO THE TIME PAYMENT OF TAXES IS ACTUALLY MADE BY LESSOR, THE LESSOR SHALL BE ENTITLED TO INTERMINGLE SUCH DEPOSITS WITH ITS OWN FUNDS AND TO USE SUCH SUMS FOR SUCH PURPOSES AS THE COMPANY MAY DETERMINE THE LESSEE SHALL NOT BE ENTITLED TO ANY INTEREST ON THE TAX PAYMENT DEPOSIT

9. Tax Contest Lessee shall have the right, at its own costs and expense, and for its sole benefit, to initiate and prosecute any proceedings permitted by law for the purpose of obtaining an abatement of or otherwise contesting the validity or amount of taxes or charges assessed to or levied upon the demised Premises and required to be paid by Lessee hereunder and to defend any claim for lien that may be asserted against Lessor's estate, and, if required by law, Lessee may take such action in the name of Lessor, as agent of Lessor who shall cooperate with the Lessee to such extent as the Lessee may require to the end that such proceedings may be brought to a successful conclusion Lessor shall also have the right to initiate and prosecute any proceedings permitted by law for the purpose of obtaining an abatement of or otherwise contesting the validity or amount of taxes or charges assessed to or levied upon the demised

Premises and required to be paid by Lessee hereunder and to defend any claim for lien that may be asserted against Lessor's estate Lessee agrees to reimburse the reasonable expenses of Lessor incident to such proceedings

10 Insurance Lessee agrees that he shall at all times during the term hereof, at his own expense, and in the name of and for the protection of himself, the Lessor, and such other persons as Lessor may designate, keep policies of insurance with an insurance company approved by the Lessor as follows

a The Premises and all additions, buildings and improvements thereon shall be fully insured against loss or damage by fire, lightning, windstorm and other casualties

b Public liability insurance in the usual form indemnifying the aforesaid parties against loss or damage occasioned by any incident or casualty occurring in, upon or about the Premises or the sidewalks, alleys or other property adjacent thereto and against any loss or damage resulting from events covered under the usual form of food and product liability insurance Such policy or policies shall provide at least the following limits of coverage

$2,000,000 00	with respect to any injury to any one person,
$2,000,000 00	with respect to injury resulting from any one occurrence giving rise to liability, and
$ 750,000 00	with respect to damage to property resulting from any one occurrence

c Lessor shall be named as an additional insured with respect to liability arising out of the operations of the named insured or the performance of this Lease under the aforementioned policies and Lessee shall furnish Lessor with the policies or duly executed certificates of all required insurance, together with satisfactory evidence of the payment of the premiums therefor and upon renewals of such policies, not less than fifteen (15) days prior to the expiration of the term of such coverage Lessee shall use its best efforts to see that all policies contain an undertaking by the insurers to notify Lessor in writing not less than thirty (30) days before any material change affecting the Premises, reduction in coverage, cancellation, or other termination thereof If Lessee fails to procure and maintain said insurance, Lessor may, but shall not be obligated to obtain and procure the same, at the expense of Lessee

11 Destruction of or Damage to Premises If all or any part of the Premises is damaged or destroyed by fire, storm or other casualty, the Lessor shall repair and rebuild the Premises with reasonable diligence It is provided, however, that if the Premises are damaged to the extent of fifty percent (50%) or more of the then replacement value thereof, during the last two (2) years of the initial term or any renewal term, Lessor may either elect to repair the damage or may cancel this Lease by notice of cancellation within sixty (60) days after such event, and thereupon this Lease shall expire, and Lessee shall vacate and surrender the Premises to Lessor Lessor's obligations to repair and rebuild shall require the restoration of the Premises to substantially the same condition as existed prior to such casualty, inclusive of any alterations to, additions to, and improvements of the Premises In every instance, the Lessee shall pay the deductible portion of expenses and assign to Lessor any and all rights the Lessee may have under insurance policies carried by the Lessee or by the Lessor with respect to such damage or destruction, as well as any rights the Lessee may have to be reimbursed for such damage or destruction pursuant to insurance coverage carried by others, if any, to the extent necessary to reimburse the Lessor for any sum or sums expended by Lessor for such repair or rebuilding

12. Utility Bills. Lessee shall pay all bills including but not limited to water, gas, electricity, fuel, light, heat or power for Premises or used by Lessee in connection therewith If Lessee does not pay the same, Lessor may, but shall not be required to, pay the same and such payments shall be added to the

rental of Premises In the event Lessee should fail to timely pay sums due hereunder, such failure shall constitute a breach of this Agreement In such event Lessor shall have the right, at its election, without being obligated to do so, to pay said sums, and the amount or amounts paid therefore shall be paid immediately by Lessee to Lessor with interest at the daily equivalent of twelve percent (12%) per annum or the highest rate then permitted by applicable law

13 Compliance with Requirements of Public Authorities. Lessee agrees at its own expense to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Lessee's occupancy of Premises

14. Indemnification. Lessee shall indemnify Lessor and hold it harmless from any claims, demand, liabilities, actions, suits or proceedings asserted by third parties for damages to persons or property and arising out of the operation of Lessee's business or by reason of the use of the Premises or by reason of the occupancy of the Premises, and all expenses incurred by Lessor because thereof including attorney's fees and court costs

15. Condemnation.

a If the whole of the Premises shall be taken for any public or any quasi-public use under any statute or by right of eminent domain, or by private purchase in lieu thereof, then this Lease shall automatically terminate as of the date that title shall be taken If any part of the Premises shall be so taken as to render the remainder thereof unusable for the purposes for which the Premises were leased, then the Lessee shall have the right to terminate this Lease on thirty (30) days' notice to the Lessor given within ninety (90) days after the date of such taking In the event that this Lease shall terminate or be terminated, the rental shall be accounted for between Lessor and Lessee as of the date of such notice

b If any part of the leased property shall be so taken and this Lease shall not terminate or be terminated under the provisions of subparagraph a of this paragraph, then the rental shall be equitably apportioned according to the space so taken, and the Lessor shall, at its own cost and expense, restore the remaining portion of the Premises to the extent necessary to render it reasonably suitable for the purposes for which it was leased, and shall make all repairs to the Premises necessary to constitute the building thereon a complete architectural unit

c The provisions of subparagraphs a and b of this paragraph shall be without prejudice to the rights of either Lessor or Lessee to recover compensation and damage caused by the taking or condemnation It is understood and agreed that neither the Lessee nor Lessor shall have any rights in any award to the other by any condemnation authority

16 Assignment and Sublease

a By Lessee Lessee shall not allow or permit any transfer of this Lease or any interest hereunder by operation of law, or assign, convey, mortgage, pledge or encumber this Lease or any interest hereunder or permit the use of the Premises or any part thereof by anyone other than Lessee, or sublet the Premises or any part thereof without in each case obtaining the prior written consent of Lessor No assignment (with or without Lessor's consent) shall release Lessee from any of its obligations hereunder Upon the death, physical incapacity or mental incompetency (as reasonably determined by an independent third party such as a licensed medical doctor) of Lessee or of any person with any direct or indirect interest in Lessee, the executor, administrator, or personal representative of Lessee shall transfer his interest to a third party approved by Lessor within six (6) months after the death, incapacity, or incompetency Such transfer shall by subject to the same conditions as any inter vivos transfer of the franchise, in connection with which the Premises is to be used, as set forth in the Franchise Agreement If

the executor, administrator, or personal representative is unable or unwilling to meet the conditions set forth in the Franchise Agreement, Lessor may terminate this Lease

b By Lessor Lessor may assign all its rights, title and interest in and to the Premises, this Lease and monies due and to become due to the Lessor hereunder In such event, all the provisions of this Lease for the benefit of the Lessor shall inure to the benefit of and may be exercised by or on behalf of such assignee, and all rental payments due and to become due under this Lease and assigned to such assignee shall be paid directly to such assignee, and the right of such assignee to the payment of assigned rentals hereunder shall not be subject to any defense, counterclaim, or set off which the Lessee may have against the Lessor, but shall be limited to any defense the Lessee or the Lessor may have against such assignee

17 **Subrogation Waiver** To the extent that they may lawfully do so, Lessor and Lessee hereby expressly waive and release any cause of action or right of recovery which either may have hereafter against the other for any loss or damage to the leased Premises or the contents thereof belonging to either, caused by fire, explosion or other risk covered by the standard form of fire and extended coverage policy (whether or not carried) The Lessor, to the extent it may lawfully do so, shall obtain a waiver from any insurance carrier, if any, with which Lessor carries fire insurance and/or extended coverage insurance covering the building and other improvements releasing its subrogation rights as against Lessee

18. Right of Entry Lessor shall have the right to enter upon the Premises to inspect the same, to see that Lessee is complying with Lessee's obligation hereunder, and to show the Premises to prospective Lenders or Purchasers at any and all times and from time to time beginning with the date possession of the Premises is accepted by Lessee

19 **Contents of Lease Confidential** Lessee does acknowledge that the contents of this Lease Contract are confidential in nature and does accordingly covenant and agree not to divulge the contents hereof to any third party, except Lessor's attorneys, financial advisors and lenders, without the written consent of the Lessor

20 **Easement** Lessor does hereby grant and convey to Lessee an easement for ingress, egress and parking over, upon and through all that tract or parcel of land of which Premises is a part, all of the real property which adjoins the Premises, and all the real property which adjoins the tract of land of which the Premises is a part, and which is owned or controlled by Lessor, if any, for the purpose of ingress and egress to and from each and every roadway that services or adjoins the Premises or the tract of land of which the Premises is a part if owned by Lessor and for the purpose of parking

21. Default If Lessee defaults for three (3) days after written notice thereof in paying Rent or any other amounts due under this Lease, or if Lessee defaults for five (5) days after written notice thereof in performing any other of his obligations hereunder, or if the Franchise Agreement expires and is not renewed or is terminated, or if Lessee fails to open within one hundred twenty days (120) from the Execution Date or fails to conduct business in the Premises as required by the Lease, or if Lessee abandons (defined as not being open for business full business hours for three (3) consecutive days), or if Lessee or any guarantor hereunder ("Guarantor") is adjudicated a bankrupt, or if a permanent receiver is appointed for Lessee's property, including Lessee's interest in Premises, and such receiver is not removed within forty five (45) days after written notice from Lessor to Lessee to obtain such removal, or if, whether voluntarily or involuntarily, Lessee or any Guarantor takes advantage of any debtor relief proceedings under any present or future law, whereby the Rent or any part thereof is, or any amount due under this Lease, or is proposed to be, reduced or payment thereof deferred, or if Lessee makes an assignment for benefit of creditors, or if Premises or Lessee's effects or interest therein should be levied upon or attached under process against Lessee, not satisfied or dissolved within five (5) days after such

levy, then, any in any of said events, Lessor may at its option pursue any one or more of the following remedies, and any and all other rights or remedies accruing to Lessor by law or otherwise, without any notice or demand commence dispossessory, or forcible detainer proceedings with or without the termination of this Lease, with or without terminating the lease, commence proceedings against Lessee for all amounts owed by Lessee to Lessor, whether as Rent, other amounts due under this Lease, damages or otherwise, terminate the term of this Lease, in which event Lessee shall immediately surrender the Premises to Lessor and immediately pay Lessor all loss and damage which Lessor may suffer by reason of the termination of the term under this Section or otherwise which loss and damage shall include, without limitation, an amount which, at the date of termination, represents the present value, as computed using and eight percent (8%) per annum discount rate, of the excess, if any of (i) the Rent and all other amounts which would have otherwise been payable hereunder during the remainder of the term of this Lease over (ii) the aggregate reasonable net rental value of the Premises for the same period, after deducting all expenses expected to be incurred in re-letting the Premises Upon acceleration of such amounts, Lessee agrees to pay the same at once, in addition to all other Rent and any other amounts theretofore due, provided, however, that such payment shall not constitute a penalty or forfeiture, but shall constitute liquidated damages for Lessee's failure to comply with the terms and provisions of this Lease (Lessor and Lessee agreeing that Lessor's actual damages in such event are impossible to ascertain and that the amount set forth above is a reasonable estimate thereof), with or without termination of this Lease, terminate Lessee's right of possession of the Premises and relet all or a portion of the Premises (either alone or together with additional space) on behalf of Lessee and receive directly the rent by reason of the reletting Lessee agrees to pay Lessor on demand any deficiency that may arise by reason of any reletting of the Premises and Lessee agrees to reimburse Lessor upon demand for any expenditures made by it for remodeling or repairing in order to relet the Premises and for all other expenses incurred in connection with such reletting, including brokerage commissions and attorney's fees Lessor shall use reasonable efforts to relet the Premises but shall have no obligation to treat preferentially the Premises compared to other Premises Lessor has available for lease, shall not be obligated to expend any efforts or any monies beyond those Lessor would expend in the ordinary course of leasing space, and shall be entitled to consider the term, rental, use and the reputation, experience and financial standing of prospective Lessees in evaluating a prospective reletting Provided Lessor has used such reasonable efforts, Lessor shall not be liable for any failure to relet the Premises, in whole or in part, nor for any failure to collect any rent due from any such reletting, enter upon and take possession of the Premises, without being liable for prosecution of any claim for damages or for trespass or other tort In the event that Lessor shall have taken possession of the Premises pursuant to the authority herein granted, then Lessor shall have the right to keep in place and use any additions, alterations and improvements thereto Lessor shall also have the right to remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration, or other legal process, all or any portion of such furniture, trade fixtures, equipment, and other personal property located thereon and place same in storage at any premises within the county in which the Premises is located In such event, Lessee shall be liable to Lessor for the reasonable costs incurred by Lessor in connection with such removal and storage and shall indemnify and hold Lessor harmless from all loss, damage, cost, reasonable expense, and liability in connection with such removal and storage, do or cause to be done whatever Lessee is obligated to do under the terms of this Lease, in which case Lessee agrees to reimburse Lessor on demand for any and all costs or expenses which Lessor may thereby incur Lessee agrees that Lessor shall not be liable for any damages resulting to Lessee from Lessor's effecting compliance with Lessee's obligations under this subsection, whether caused by the negligence of Lessor or otherwise, enforce the performance of Lessee's obligations hereunder by injunction or other equitable relief (which remedy may be exercised upon any breach or default or any threatened breach or default of Lessee's obligations hereunder)

Anything hereinbefore contained to the contrary notwithstanding, if any default shall occur, other than the payment of money, which cannot with due diligence be cured within a period of ten (10) days, the Lessee prior to the expiration of ten (10) days from and after the giving of notice as aforesaid, commences to

eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default, then Lessor shall not have the right to declare the said term ended by reason of such default as long as such default is cured as soon as possible

22. Reletting by Lessor Lessor, as Lessee's agent, without terminating this Lease, upon Lessee's breach of this Lease, in such a manner as to authorize termination as provided herein, may at Lessor's option enter upon and rent Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Lessor deems proper Lessor may, but shall not be required to, make efforts to relet the Premises Lessee shall be liable to Lessor for the deficiency, if any, between Lessee's rent hereunder and the price obtained by Lessor on reletting

23 Effect of Termination of Lease No termination of this Lease prior to the normal ending thereof by lapse of time or otherwise shall affect Lessor's right to collect rent for the period prior to termination thereof

24. Removal of Fixtures Lessee may (if not in default hereunder) prior to the expiration of this Lease or any renewal thereof, remove all equipment which Lessee has placed in Premises, which is the property of Lessee, provided Lessee restores Premises to their condition at the installation thereof and repairs all damages to the Premises caused by such removal However, Lessee shall not place any furniture, fixtures or equipment on the Premises without the express written consent of the Lessor

25 Surrender of Premises At the expiration or termination of this Lease, Lessee shall surrender Premises and keys thereof to Lessor in the same condition as at commencement of term, natural wear and tear only excepted

26. Holding Over If Lessee remains in possession after expiration of the term hereof, with Lessor's acquiescence and without any express agreement of parties, Lessee shall be a tenant at will, and there shall be no renewal of this Lease by operation of law The monthly rental during such holdover period shall be the greater of (i) the amount calculated if Lessee had exercised an option to renew, or (ii) 150% of the last full month's rental due in the immediately preceding term of the Lease

27. Entry for Carding, etc Lessor may card Premises "For Rent" or "For Sale" thirty (30) days before the termination of this Lease Lessor may enter the Premises at any and all times to exhibit same to prospective purchasers or tenants, to inspect Premises to see that Lessee is complying with all his obligations hereunder, and to make repairs required of Lessor under the terms hereof, if any, or repairs to Lessor's adjoining property, if any

28 Compliance with Required Action If Lessee should fail to complete any action required of Lessee in this Lease within the time specified or within five (5) days if no time in terms of days is specified, Lessor may, but shall not be required to do so, take such action as may be possible for it to take and add the cost thereof to the payment of Rent or other payments due to Lessor under the terms of this Lease This provision shall be cumulative and not restrictive of such other and further remedies as may be available to Lessor at law It is further agreed that Lessee shall indemnify and save harmless the Lessor against all claims for damages, to persons or property and all expenses incurred by Lessor including attorney's fees and court costs arising out of the required action and/or the failure to take same from the time the condition which necessitates said action comes to the knowledge of the Lessor until such action is complete

29. Attorney's Fees and Homestead If any rent or other payments owing to Lessor under this Lease is collected by or through an attorney at law, Lessee agrees to pay fifteen (15%) percent thereof as attorneys' fees Lessee waives all homestead rights and exemptions which Lessee may have under any

law as against any obligation owing under this Lease Lessee hereby assigns to Lessor his homestead and exemption

30. No Estate in Land This contract shall create the relationship of landlord and tenant between Lessor and Lessee, no estate shall pass out of Lessor, Lessee has only a usufruct, not subject to levy and sale

31. Notice If at any time after the execution of this Lease, it shall be required or become necessary or convenient for one of the parties hereto to serve any notice demand or communication upon the other party, such notice, demand or communication shall be in writing, signed by the party serving the same, sent by nationally recognized courier, or deposited in registered or certified United States Mail, return receipt requested, postage prepaid and,

(A) if intended for Lessor, shall be addressed to

Huddle House, Inc.
Attn: Legal Dept.
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328
(770) 325-1300

and,

(B) if intended for Lessee, shall be addressed to

Franchisee name
Franchisee notice address
Franchisee notice address line 2
FRANCHISEE CITY, FRANCHISEE STATE
FRANCHISEE ZIP CODE
FRANCHISEE TELEPHONE NUMBER

or, to such other addresses as either party may have furnished to the other in writing in the manner set forth herein as a place for service of notice

32 Captions The captions used in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Lease, nor in any way affect this Lease

33 Grammatical Use In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms, shall be substituted for singular and singular for plural in any place in which the context so requires

34. Definitions "Lessor" as used in this Lease shall include Lessor, its, representatives, assigns, and successors in title to Premises, "Lessee", if this Lease shall be validly assigned or sublet, shall include his assignees and sublessees Lessor and Lessee include male and female, singular and plural, corporations, partnership, or individual, as may fit the particular parties

35 All Rights Cumulative All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative but not restrictive of those given by law

36. Equal Construction and Time of Essence This Lease shall be construed equally between the parties and time is of the essence of this contract

37. Severability If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect

38. Rule Against Perpetuities If this Lease has not been previously terminated pursuant to the terms and provisions contained herein, and the term of this Lease and/or the accrual of rent hereunder shall not have commenced within ten (10) years from the date of this Lease, then and in that event this Lease shall thereupon become null and void and shall have no further force and effect whatsoever in law or equity

39 Entire Agreement This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect No failure of Lessor to exercise any power given Lessor hereunder, or to insist upon strict compliance by Lessee of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof

40. Special Stipulation Insofar as the special stipulations more particularly set forth in Exhibit "B" attached hereto and incorporated herein by reference conflict with any of the foregoing provisions, the special stipulations shall control

41. Security Deposit Simultaneously with Lessee's execution of this Lease, Lessee shall deposit with Lessor, a security deposit equal to Lessee's monthly base rental applicable in the first year, which shall be security for the performance by Lessee of all of Lessee's obligations, covenants, conditions and agreements under this Lease Lessor shall not be required to maintain such security deposit in a separate account Except as may be required by law, Lessee shall not be entitled to interest on the security deposit Provided Lessee is not in default under this Lease, within ninety (90) days after the expiration or termination of this Lease or Lessee's vacating the Premises, Lessor shall return such security deposit to Lessee, less such portion thereof as Lessor shall have appropriated to satisfy any of Lessee's obligations, or any default by Lessee, under this Lease If there shall be any default by Lessee under this Lease, then Lessor shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (a) base rental, additional rent or any other sum as to which Lessee is in default, or (b) amount Lessor may spend or become obligated to spend, or for the compensation of Lessor for any losses incurred, by reason of Lessee's default (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises) If any portion of the security deposit is so used or applied, then within three (3) business days after Lessor gives written notice to Lessee of such use or application, Lessee shall deposit with Lessor cash in an amount sufficient to restore the security deposit to the original amount, and Lessee's failure to do so shall constitute an Event of Default under this Lease If Lessor transfers the security deposit to any purchaser or other transferee of Lessor's interest in this Lease, then Lessee shall look only to such purchaser or transferee for the return of the security deposit, and Lessor shall be released from all liability to Lessee for the return of such security deposit Lessee shall not pledge, mortgage, assign or transfer the security deposit or any interest therein

IN WITNESS WHEREOF, the parties have executed these presents in duplicate the day and year first above written affixing hereto their seals

LESSOR

HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT "A"

Legal Description

EXHIBIT "B"

1 **Assumption of Obligations Under Lease.** The Lessee does hereby rent and sublease from Lessor that certain piece and tract of land described in Exhibit "A", attached hereto and incorporated herein by reference subject to the following terms, conditions, and stipulations

a Lessee, as part of the consideration herein, assumes and agrees to perform each and every act, covenant, and duty required of Lessor by the terms, conditions, and stipulations of the Lease attached as Exhibit "C" and incorporated herein and made a part hereof by reference thereto, with the single exception of the rental amount, which will be paid to the owner directly by Huddle House, Inc (Lessor) Lessee further acknowledges that the Lease itself is governed by various Federal, State and Local rules, regulations, status, and ordinances, the failure to comply with which would adversely affect the Lease and the status of Huddle House, Inc as tenant therein Therefore, Lessee agrees to comply with any and all required acts or refrain from such acts as may be promulgated and enacted by such governmental authority and Lessee further agrees to indemnify and save harmless Lessor, its successors and/or assigns, for any loss or damage arising out of Lessee's failure to do so

b It is therefore acknowledged by Lessee that Lessor has only a usufruct with regard to the above and that Lessee's interest shall be subject to the terms of the Lease as set forth in Exhibit "C" Lessee and Lessor covenant and agree that Lessor shall not be held liable to Lessee for any damages caused by a breach by Lessor, its heirs and/or assigns, of the Lease as set forth in Exhibit "C"

EXHIBIT "C"

UNDERLYING LEASE

EXHIBIT "D"

[INVENTORY OF EQUIPMENT AND SIGNS WILL BE INSERTED HERE IF APPLICABLE]

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, the legal entity identified as Assignor on the signature page of this Collateral Assignment of Lease, ("**Assignor**") hereby assigns, transfers and sets over unto HUDDLE HOUSE, INC , a Georgia corporation ("**Assignee**") all of Assignor's right, title and interest as tenant in, to and under those certain leases, identified on Attachment 1 attached hereto, (the "**Lease**") with lessor ("**Lessor**") respecting premises being more particularly described on Exhibit A, attached hereto ("**Premises**") This Agreement is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of Lease unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder Any possession of the Premises by Assignee shall be deemed to be under a month-to-month tenancy and Assignee shall not be deemed to have assumed any obligations of Assignor, except for the payment of the monthly rental payments set forth in the Lease during such period of occupancy by Assignee

1 General Terms

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Premises demised thereby

Upon a default by Assignor under the Lease or under the Franchise Agreement for a Huddle House Unit between Assignee and Assignor (the "**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or financing for the Franchised Business, or in the event the Franchise Agreement is not renewed, expires or is terminated for any reason, or after the Lease is not renewed, expires or is terminated for any reason (with term remaining), or in the event that Assignor does not notify Assignee in writing at least six (6) months prior to the expiration of the Franchise Agreement of Assignor's intent to renew the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease

Assignor represents and warrants to Assignee that the Lease is for a term which, with renewal options exercisable by Assignor, are coterminous the initial term and any renewal terms of the Franchise Agreement

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee Through the term of the right to operate Franchise Agreement and renewals, if any, of Assignor's rights to operate a Huddle House Unit, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal

2 Terms Applicable when Lease is with Affiliated Lessor The following terms and conditions apply only if the Lessor is, or becomes an Affiliated Lessor (as defined below)

If Lessor is or becomes the same as or under common control with or affiliated with Assignor or its owners and/or members (an "**Affiliated Lessor**"), the Affiliated Lessor under the afore described Lease hereby

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease,

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Affiliated Lessor of written notice thereof in accordance with Section 2(a) above,

(c) Consents to the this Collateral Assignment and agrees that if Assignee (or an affiliate of Assignee designated by Assignee) shall take possession of the Premises demised by the Lease and confirms to Affiliated Lessor the assumption of the Lease by Assignee (or, if applicable, an affiliate of Assignee) as tenant thereunder, Affiliated Lessor shall recognize Assignee (or, if applicable, an affiliate of Assignee) as tenant under the Lease,

(d) Agrees that Assignee (or Assignee's designated affiliate) without the consent of Affiliated Lessor may further assign or sublet the Lease to a person, firm or corporation who is a Huddle House franchise owner, or to an affiliate of Assignee,

(e) Agrees that if Assignee exercises its right for Assignee, or an affiliate of Assignee, to become the tenant on the Premises pursuant to Section 2(c) hereof, and does not further assign or sublet the lease pursuant to Section 2(d) hereof, Assignee (or, if applicable, Assignee's designated affiliate) each of the following terms shall apply

(i) The rent payable by Assignee to the Affiliated Lessor for the Premises will be fair market value rent, provided that in no event will the rent exceed eight percent (8%) of Net Sales (as defined in the Franchise Agreement) per month based on the average monthly Net Sales of the Unit operated by Assignor during the previous twelve (12) months (and to the extent the rent otherwise to be charged exceeds the fair market value, then Assignor shall be responsible for payment of the amount in excess the fair market value) If Affiliated Lessor and Assignee (or, if applicable, Assignee's designated affiliate) have not agreed upon a fair market value for rent within ten (10) days after notice by Assignee of its exercise of its rights to become a tenant of the Premises, then the fair market value for rent will be determined according to Section 2(e)(iv) below

(ii) Assignee shall have the continuing option during the term of the Lease and renewals thereof, if any, to purchase Affiliated Lessor's interest in the Premises, including without limitation the building and land constituting the Premises, at fair market value purchase price If Affiliated Lessor and Assignee have not agreed upon a fair market value within thirty (30) days after notice by Assignee of its preliminary intent to purchase, then the fair market value purchase price will be determined according to the terms of Section 2(e)(iv) below Within ten (10) days after Assignee has been notified of fair market value purchase price (once determined pursuant to Section 2(e)(iv)), Assignee may exercise its option to purchase by notice to Affiliated Lessor, for cash or upon terms agreed upon, with closing to be held no sooner than fifteen (15)

days from the date Assignee notified Affiliated Lessor that it is prepared to proceed with the closing and no later than ninety (90) days thereafter, otherwise such option shall expire

(iii) Assignor and Affiliated Lessor further agree that if Assignee designates an affiliate to exercise Assignee's right under Sections 2(e)(i) or 2(e)(ii) above, the terms of this Section shall apply with respect to such affiliate as if Assignee were directly exercising such right

(iv) For a period of up to seven (7) days of the expiration of the time period specified above to mutually agree upon (as applicable) the fair market value purchase price or fair market value rent, Affiliated Lessor and Assignee will attempt to mutually agree upon an appraiser to determine such fair market value If Affiliated Lessor and Assignee do not mutually appoint an appraiser within that seven (7) day period, Assignee, within seven (7) days thereafter, shall notify Affiliated Lessor of the names of two appraisers or firms having the capacity to perform or engage others to perform appraisals of the Premises for determining, as applicable, the fair market value for purchase or rent Affiliated Lessor shall select, within seven (7) days after such notification by Assignee, one of such appraisers or firms to be responsible for determining the applicable fair market value, otherwise, Assignee shall select one such appraiser or firm to be responsible for determining the applicable fair market value and such appraiser's or firm's decision shall be binding Each party shall divide equally the cost of any appraiser or firm

IN WITNESS WHEREOF Assignor has signed, sealed and delivered the within Collateral Assignment of Lease this the date written below

For Huddle House® Restaurant Unit Number #_____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

ASSIGNEE
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

Date _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

ATTACHMENT 1
SCHEDULE OF LEASE

1 Lease dated _____ by and between LANDLORD NAME, a STATE LANDLORD_ENTITY, as Lessor and FRANCHISEE NAME, as Lessee

ATTACHMENT 2
CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore described Lease hereby

(a) Consents to the foregoing Collateral Assignment and agrees that if Assignee (or an affiliate of Assignee designated by Assignee) shall take possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee (or, if applicable, an affiliate of Assignee) as tenant thereunder, Lessor shall recognize Assignee (or, if applicable, an affiliate of Assignee) as tenant under the Lease,

(b) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease,

(c) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within twenty (20) days after delivery by Lessor of written notice thereof in accordance with Section (a) above,

(d) Agrees that Assignee (or Assignee's designated affiliate) without the consent of Lessor may further assign or sublet the Lease to a person, firm or corporation who is a Huddle House franchise owner, or to an affiliate of Assignee,

(e) Agrees that if Assignee exercises its right for Assignee, or an affiliate of Assignee, to become the tenant on the Premises pursuant to Section (c) hereof, and does not further assign or sublet the lease pursuant to Section (d) hereof, Assignee (or, if applicable, Assignee's designated affiliate) each of the following terms shall apply

(i) Assignee shall have the continuing option during the term of the Lease and renewals thereof, if any, to purchase Lessor's interest in the Premises, including without limitation the building and land constituting the Premises, at fair market value purchase price If Lessor and Assignee have not agreed upon a fair market value within thirty (30) days after notice by Assignee of its preliminary intent to purchase, then the fair market value purchase price will be determined according to the terms of Section (e)(iii) below Within ten (10) days after Assignee has been notified of fair market value purchase price (once determined pursuant to Section (e)(iii)), Assignee may exercise its option to purchase by notice to Lessor, for cash or upon terms agreed upon, with closing to be held no sooner than fifteen (15) days from the date Assignee notified Lessor that it is prepared to proceed with the closing and no later than ninety (90) days thereafter, otherwise such option shall expire

(ii) Assignor and Lessor further agree that if Assignee designates an affiliate to exercise Assignee's right under Sections (e)(i) above, the terms of this Section shall apply with respect to such affiliate as if Assignee were directly exercising such right

(iii) For a period of up to seven (7) days of the expiration of the time period specified above to mutually agree upon (as applicable) the fair market value purchase price, Lessor and Assignee will attempt to mutually agree upon an appraiser to determine such fair market value If Lessor and Assignee do not mutually appoint an appraiser within that seven (7) day period, Assignee, within seven (7) days thereafter, shall notify Lessor of the names of two appraisers or firms having the capacity to perform or engage others to perform appraisals of the Premises for determining, as applicable, the fair market value for purchase Lessor shall select, within seven

(7) days after such notification by Assignee, one of such appraisers or firms to be responsible for determining the applicable fair market value, otherwise, Assignee shall select one such appraiser or firm to be responsible for determining the applicable fair market value and such appraiser's or firm's decision shall be binding Each party shall divide equally the cost of any appraiser or firm

(f) Represents and warrants that the Lease is for a term which, with renewal options exercisable by Assignor, are coterminous the initial term and any renewal terms of the Franchise Agreement

IN WITNESS WHEREOF Lessor and Assignee have signed, sealed and delivered the within Collateral Assignment of Lease as of the date written below

For Huddle House® Restaurant Unit Number: #_____

LESSOR
LANDLORD NAME, a
STATELANDLORD_ENTITY

By _____
LANDLORD SIGNATORY, LANDLORD
SIGNATORY TITLE

By _____

ASSIGNEE
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

Date _____

STATE OF GEORGIA | UNIT NUMBER ###

COUNTY OF FULTON | UNIT CITY, STATE

MONTH, YEAR | $##,### ##

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned FRANCHISEE NAME, a STATE ENTITY TYPE, and FRANCHISEE SIGNATORY1, an individual resident of STATE, each individually, and jointly and severally promises to pay to the order of HUDDLE HOUSE, INC ("**Holder**") the principal sum of AMOUNT and 00/100 Dollars ($##,### ##) plus interest from MONTH DAY, YEAR at AMOUNT percent (##%) per annum until paid for a total amount of $###,### ## The undersigned hereby agree(s) to pay the total amount $###,### ## in _____ (__) [Note number of payments] equal, consecutive monthly installments of $_____ each, on the first day of each month, commencing on MONTH, DAY, YEAR

All installments of principal and interest are payable at the offices of Huddle House, Inc at 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia, 30328 or at such other place as the Holder hereof may designate in writing, in lawful money of the United States of America

Upon the occurrence of any event of Default (as defined below), the payee or Holder may at its option, without notice or demand, accelerate the loan and call the entire loan due and payable should any payment be past due for a period of ten (10) days or more Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent Default The undersigned further agree(s) to pay a late charge of five percent (5%) of any amount that is not paid within five (5) days after when due, plus all costs of collection, including fifteen percent (15%) attorneys' fees if collected by law or through an attorney-at-law

Any of the following events shall constitute an event of default ("Default") (1) for any reason, any of said payments due under this Note are not made promptly on the date due, and (2) the maker of this Note, or any of the maker's owners, affiliates and/or subsidiaries, default on any other agreement with Holder, or any affiliate or parent corporation of Holder, or any lender to market relating to your "Huddle House" franchised business, including, without limitation, any franchise agreement, sign lease, equipment lease, premises lease, or financing document, and such default is not cured in accordance with the terms of such other agreement A Default under this Note shall also constitute a Default under any other agreements between Holder and maker

Each of us, whether principal, surety, endorser, or other party hereto, hereby severally waives and renounces, each for himself and family, any and all homestead or exemption rights either of us may have under or by virtue of the Constitution or Laws of Georgia, any other state, or the United States, as against this debt or any renewal thereof, and the undersigned, as well as all sureties, endorsers, guarantors, or other parties to this Note, jointly and severally transfer, convey and assign to the payee or holder hereof, a sufficient amount of any homestead or exemption that may be allowed to the undersigned, or either of them, including such homestead or exemption as may be set apart in bankruptcy, to pay the Note in full, with all costs of collection, and the undersigned hereby directs the Trustee in Bankruptcy, to pay the Note in full, with all costs of collection, and the undersigned hereby directs the Trustee in Bankruptcy having possession of such homestead or exemption, to deliver to the holder of this Note a sufficient amount of property or money set apart as exempt to pay off the indebtedness evidenced hereby

The makers and endorsers hereof each further waive(s) demand, notice of demand, protest, notice of protest and nonpayment, and presentment for payment Each of us further agree(s) that this Note or any installment may be renewed or extended and any security may be released or substituted without notice to us and without affecting our liability This loan is for business and commercial purposes only There is no pre-payment penalty

In no event shall the amount of interest due or payable hereunder exceed the maximum rate of interest allowed by applicable law, and in the event any such payment is inadvertently paid by the undersigned or inadvertently received by the Holder, then such excess sum shall be credited as a payment of principal, unless the undersigned elects to have such excess sum returned to it forthwith It is the express intent hereof that the undersigned not pay and the Holder not receive, directly or indirectly, in any manner whatsoever interest in excess of that which may be legally paid by the undersigned under applicable law

In the event any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Huddle House, Inc or other holder hereof, not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein

The covenants and agreements herein contained shall bind and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders

(SIGNATURES FOLLOW ON NEXT PAGE)

Given under the hand and seal of each party

FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

and

_____
FRANCHISEE SIGNATORY1, Individually

NON-DISTURBANCE, SUBORDINATION AND ATTORNMENT AGREEMENT

This Agreement, made and entered into as of _____, by and among the entity identified on the "Mortgagee" signature page of this Agreement (hereinafter known as "**Mortgagee**"), the individual or legal entity franchisee identified on the "Tenant" signature page of this Agreement (hereinafter known as "**Tenant**"), the entity identified on the "Landlord" signature page of this Agreement (hereinafter known as "**Landlord**"), and HUDDLE HOUSE, INC , a Georgia corporation (hereinafter known as "**Optionee**")

WITNESSETH

WHEREAS, Landlord and Tenant desire to enter into a Lease Agreement (known as "**Lease**") covering the real property on the legal description attached hereto as Exhibit A, and

WHEREAS, Mortgagee holds a security interest in said real property, and

WHEREAS, Optionee has certain rights and interest in said real property and may, under certain conditions, succeed Tenant hereunder, and

WHEREAS, Tenant and Optionee will not complete this transaction and subordinate their respective interest to Mortgagee in the absence of the execution of this Agreement,

NOW THEREFORE, the parties hereto, for and in consideration of the promises herein contained, the covenants expressed, for the purpose of inducing Tenant to complete its Lease with Landlord, and for and in consideration of Ten ($10 00) Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby covenant and agree as follows

1 DEFINITIONS

"Landlord" as used in this Agreement shall include the Landlord, its heirs, representatives, assigns, and successors in title to Premises

"Optionee" as used in this Agreement shall include Huddle House, Inc , its successors and assigns, or an affiliate of Huddle House, Inc as Huddle House, Inc may designate

"Tenant" as used in this Agreement shall include the Tenant, its heirs and representatives, and if the Lease shall be validly assigned or sublet, shall include successors and assigns of the Tenant

Landlord and Tenant shall be deemed to include male and female, singular and plural, individuals, corporations, partnership, or other artificial entities, as the context so requires

2 NON-DISTURBANCE So long as no event of default on the part of the Tenant under the Lease shall exist which would entitle Landlord to terminate the Lease, or if such an event of default shall exist, so long as Tenant's time to cure same shall not have expired (a) Mortgagee will not at any time join Tenant as a party defendant in any action or proceeding to foreclose the security interest or any extension, renewal, consolidation or replacement of same, unless such joinder is a prerequisite to the institution or prosecution of any such action or proceeding, and (b) the term of the Lease shall not be terminated or modified in any respect whatsoever, Tenant's right of possession to the demised premises

and its other rights arising out of the Lease will all be fully recognized and protected by Mortgagee and shall not be disturbed, cancelled, terminated or otherwise affected by reason of the security interest or any action or proceeding instituted by Mortgagee to foreclose the security interest or any extension, renewal, consolidation or replacement of the same, irrespective of whether Tenant shall have joined in any such action or proceeding

3 PURCHASE OPTION So long as no event of default on the part of the Tenant under the Lease shall exist which would entitle Landlord to terminate the Lease, or if such an event of default shall exist, so long as Tenant's time to cure same shall not have expired the purchase option rights of Tenant will be fully recognized and protected by Mortgagee and shall not be disturbed, cancelled, terminated or otherwise affected by reason of the security interest or any action or proceeding instituted by Mortgagee to foreclose the security interest or any extension, renewal, consolidation or replacement of the same, irrespective of whether Tenant shall have joined in any such action or proceeding

4 ATTORNMENT In the event that Mortgagee takes possession of the Entire Premises, either as the result of foreclosure of the security interest or accepting a deed to the Entire Premises in lieu of foreclosure, or otherwise, or the Entire Premises shall be purchased at such foreclosure by a third party, Tenant shall attorn to Mortgagee or such third party as its landlord under the Lease and Mortgagee or such third party will recognize and accept Tenant as its tenant thereunder, whereupon, the Lease shall continue in full force and effect as direct lease between Mortgagee or such third party and Tenant for the full term thereof, together with all extensions and renewals thereof, and Mortgagee or such third party shall thereafter assume and perform all of Landlord's obligations, as Landlord under the Lease with the same force and effect as if Mortgagee or such third party were originally named therein as Landlord, provided, however, that if conflicting claims should be made to the rent payable under the Lease, Tenant shall have the right to institute an interpleader suit for the purpose of determining who is entitled to payment of such rent and to pay the rent in accordance with the judicial determination rendered in such proceeding

5 SUBORDINATION Subject to and upon all the terms and conditions set forth in this Agreement, Tenant hereby subordinates its right, title and interest by virtue of the Lease to the right, title and interest of Mortgagee by virtue of the security interest and all renewals and extensions thereof

6 DEFAULT OF LANDLORD TO TENANT Tenant agrees to concurrently furnish Mortgagee by certified mail with copies of all notices and demands served by Tenant upon Landlord Tenant further agrees that with respect to any notice of default served upon Landlord, if Landlord shall have failed to cure such default within the time provided for therein, then Mortgagee shall have an additional sixty (60) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary if within such sixty (60) days Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event the Lease shall not be terminated while such remedies are being so diligently pursued

7 DEFAULT OF LANDLORD TO MORTGAGEE Landlord agrees that the rent payable under the Lease shall be paid directly by Tenant to Mortgagee upon the occurrence of a default by Landlord under the security deed, deed of trust or mortgage After notice is given by Mortgagee to Tenant that the rent under the Lease shall be paid to Mortgagee, Tenant shall pay to Mortgagee (or in accordance with the directions of Mortgagee), all rent and other sums then due and thereafter to become due to Landlord under the Lease, subject, however, to the terms of payment under the Lease and to the rights of Tenant under the Lease Tenant shall have no responsibility to ascertain whether or not such

demand by Mortgagee is permitted under the Security Deed Landlord hereby waives any claim or demand it may now or hereafter have against Tenant by reason of such payment to Mortgagee Landlord agrees that any payment made to Mortgagee by Tenant pursuant to the terms of this Paragraph shall discharge the obligations of Tenant, under the Lease or otherwise, to make such payment to Landlord

8 MORTGAGEE AS SUCCESSOR IN INTEREST In the event that Mortgagee shall succeed to the interest of Landlord under the Lease, Mortgagee shall not be

liable for any act or omission of Landlord, or

liable for the return of any security deposit, or

subject to any offsets or defenses which Tenant might have against Landlord, or

bound by any rent or additional rent which Tenant might have paid for more than the current month to Landlord, or

bound by any amendment or modification of the Lease made without its consent

9 POSITION OF HUDDLE HOUSE, INC This Agreement shall inure to the benefit of Huddle House, Inc , its successors and assigns, in the event it should ever become the Tenant on said real property

10 CAPTIONS The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Agreement, nor in any way affect this Agreement

11 NOTICE If at any time after the execution of this Agreement, it shall be required or become necessary or convenient for one of the parties hereto to serve any notice demand or communication upon the party, such notice, demand or communication shall be in writing, signed by the party serving the same, deposited in registered or certified United States Mail, return receipt requested, postage prepaid, or by a reputable commercial overnight carrier that provides a receipt and,

if intended for **Landlord**, shall be addressed to

LANDLORD NAME
LANDLORD STREET ADDRESS
LANDLORD CITY, STATE 00000
(123) 123-1234

if intended for **Tenant**, shall be addressed to

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

if intended for **Mortgagee**, shall be addressed to

LENDER NAME
LENDER STREET ADDRESS
LENDER CITY, STATE 00000
(111) 111-1111

if intended for **Optionee** shall be addressed to

HUDDLE HOUSE, INC
5901-B Peachtree Dunwoody Road, Suite 450
Sandy Springs, Georgia 30328
(770) 325-1300

or, to such other addresses as any party may have furnished to the other in writing as a place for service of notice

12 ENTIRE AGREEMENT This Agreement contains the entire agreement of the parties with regard to the subordination of the Lease and the interest of Tenant thereunder to the lien or charge in favor of Mortgagee pursuant to security deed, deed of trust, mortgage or UCC-1 Financing Statement, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect No failure of any party to exercise any power given such party hereunder, or to insist upon strict compliance by any other party of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of such party's right to demand exact compliance with the terms hereof

13 AMENDMENTS No term or provision of this Agreement shall be modified or amended except in writing and signed by the party against whom enforcement of any such modification or amendment is sought This Agreement shall not be modified by the parties without the express written consent of Huddle House, Inc

14 SEVERABILITY If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect

15 APPLICABLE LAW This Agreement shall be governed by and construed in accordance with the laws of the State of STATE

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each individual party hereto has caused his or her hand and seal to be affixed and each corporate, partnership or other legal entity hereto have caused its duly authorized officers, partners, or agents to execute and affix its seal to this instrument on the day and year first above written

TENANT

FRANCHISEE NAME,
a [STATE] [ENTITY TYPE]

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

STATE OF GEORGIA

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared **FRANCHISEE SIGNATORY 1 and FRANCHISSEE SIGNATORY 2** and known to me to be the persons who as **president and secretary or Members for LLC** respectively of **FRANCHISEE NAME , A STATE FRANCHISE_ENTITY**, which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said **FRANCHISEE_ENTITY** as such officers respectively, that the said **FRANCHISEE_ENTITY**, that they were duly authorized thereunto by its board of directors, and that the seal affixed to said instrument is the seal of said **FRANCHISEE_ENTITY.**

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, Georgia this _____

My commission expires

_____

_____
NOTARY PUBLIC

[NOTARY SEAL]

LANDLORD

LANDLORD NAME,
a STATE LANDLORD_ENTITY

By _____
LANDLORD SIGNATORY, LANDLORD SIGNATORY TITLE

By _____

STATE OF GEORGIA

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared LANDLORD SIGNATORY and known to me to be the persons who as LANDLORD SIGNATORY TITLE of, a STATE_LANDLORD_ENTITY, the company which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said LANDLORD_ ENTITY as such LANDLORD SIGNATORY TITLE, that the same is his/her free act and deed as such LANDLORD SIGNATORY TITLE, and the free act and deed of said LANDLORD_ENTITY and that he/she was duly authorized thereunto to do so

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____, STATE, this _____

My commission expires

_____

_____
NOTARY PUBLIC

[NOTARY SEAL]

MORTGAGEE

LENDER NAME,
a STATE LENDER_ENTITY

By _____
LENDER SIGNATORY, LENDER SIGNATORY TITLE

By _____

STATE OF GEORGIA

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared **LENDER SIGNATORY** and known to me to be the persons who LENDER SIGNATORY TITLE OF LENDER NAME a STATE LENDER_ENTITY, the company which executed the foregoing instrument, signed the same, and acknowledge to me that they do so sign said instrument in the name and upon behalf of said **LENDER_ENTITY** as such LENDER SIGNATORY TITLE, that the same is his/her free act and deed as such LENDER SIGNATORY TITLE, and the free act and deed of said LENDER_ENTITY, and that he/she was duly authorized thereunto to do so

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, Georgia this _____

My commission expires

_____ _____
NOTARY PUBLIC

[NOTARY SEAL]

OPTIONEE

HUDDLE HOUSE, INC.
a Georgia corporation

By _____
Name _____
Title _____

STATE OF GEORGIA

COUNTY OF _____

Before me a Notary Public in and for said county, personally appeared _____ and known to me to be the person who, as _____, of HUDDLEHOUSE, INC , a Georgia corporation the corporation which executed the foregoing instrument, signed the same, and acknowledged to me that he/she did so sign said instrument in the name and upon behalf of said corporation as such officer, that the same is his/her free act and deed as such officer, and the free and corporate act and deed of said corporation, that he/she was duly authorized thereunto by its board of directors, and that the seal affixed to said instrument is the corporate seal of said corporation

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____ County, Georgia this _____

My commission expires

_____

_____
NOTARY PUBLIC

[NOTARY SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY IS INSERTED HERE

REVITALIZATION EVOLUTION REMODEL INCENTIVE PROGRAM AMENDMENT TO HUDDLE HOUSE, INC. FRANCHISE AGREEMENT

THIS REVITALIZATION EVOLUTION REMODEL INCENTIVE PROGRAM AMENDMENT ("Amendment") is made and entered into as of the same date as the Franchise Agreement, which is described below, by and between Huddle House, Inc ("Company") and the individual or legal entity identified as the Operator on the signature page of this Amendment ("Operator") As used in this Amendment, "Effective Date" refers to the Effective Date of the Franchise Agreement

WHEREAS, Company and Operator are parties to that franchise agreement concerning the operation of the Huddle House® Restaurant Unit described on the signature page of this Agreement (the "Franchise Agreement") located on the real property described on Exhibit A attached to the Franchise Agreement, which is as of even date herewith and made a part hereof by reference ("Unit"), and

WHEREAS, Operator wishes to participate in Company's Revitalization Evolution Remodel Incentive Program ("Program") pursuant to the terms below,

NOW, THEREFORE, for and in consideration of the promises, and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows

1 Criteria for Participation in Program ("Criteria") Operator's participation in the Program is contingent upon the following
   a Operator reaffirms, warrants and covenants the Revitalization Evolution Remodel Incentive Application ("Application") submitted including, but not limited to, proof of financial commitment and/or sufficiency of funds is true, accurate and complete as of the date of this Amendment
   b Operator represents it is in full compliance with the Franchise Agreement, including the manuals referenced therein, and all other written agreements (collectively, "Agreements") with Company
   c Operator further represents that Operator has either purchased the Franchise Agreement (i) as a new franchise agreement to use at a closed Huddle House location and Operator was not involved directly or indirectly involved in the underlying reason(s) for the closure, or (ii) as a bona fide transfer of a franchise agreement authorizing the operation of an existing (open and operating) Huddle House location For emphasis and clarity, Operator agrees, acknowledges and understands that participation in the Program and the right to receive the Incentive requires full and specific completion of the Remodel Requirements prior to the Deadline, also defined below, as a material and absolute condition thereof

2 Incentive Subject to the terms of this Amendment, Company offers the following incentive ("Incentive") to Operator
   a The Incentive is Twenty Five Thousand Dollars ($25,000 00) subject to all terms and conditions of this Amendment
   b Company shall reserve, and not pay to Operator, five thousand dollars ($5,000 00) ("Reserve") from the Incentive The Reserve is spent at Company's direction for expenses related to marketing activities for the promotion of the Unit's grand reopening ("Reopening")
   c The Incentive balance of twenty thousand dollars ($20,000 00), less any amounts owed Company, shall be disbursed to Operator following the Reopening

3 Conditions The payment of the Incentive is conditioned upon

a Compliance with current brand image in accordance with the Evolution design manuals and trade dress requirements ("Remodeling Requirements") pursuant to the Evolution Restaurant Remodel Guide ("Guide"), Exhibit D of the Agreements, and all laws and regulations

b The Remodeling Requirements must be completed in compliance with Company's standards and specifications, including Company required documentation, and will be inspected for satisfactory completion ("Inspection") by Company prior to Incentive disbursement Company may terminate this Amendment if Unit does not pass Inspection upon a second scheduled Inspection which shall be no later than four (4) months ("Deadline") from the Effective Date Time is of the essence

c Operator must fully utilize the Evolution cost tracking spreadsheet ("Cost Tracker") in the Guide to track all Program expenses Operator must keep all back up invoices and receipts ("Back-up") in an organized format and share the Cost Tracker and Back-up with Company during the remodel and a final Cost Tracker and Back-up must be submitted to Company one (1) week prior to Image Inspection

d Company may in its sole discretion and right decide to suspend or terminate the Program at any time This Amendment, if fully executed and not otherwise terminated or expired, shall survive any Program termination

e If Operator is in default of the Amendment or any of the Agreements with Company, Company may terminate this Amendment immediately without notice to cure

4 No Reliance Operator received the Guide which included information from other units that had completed the Remodeling Requirements, specifically the range of the then actual initial remodeling investments and the average percentage of changing sales experienced by those units (collectively, the "Information") You understand the timing for each unit location is unique and the location site specific dynamics may not be relevant to your Unit The Information is historical information, and cannot be treated as a predictor of the future sales performance and many factors may affect the sales performance and profitability of a unit, including but not limited to skill of management, stability and skill of staff, increases in overhead costs, changes to characteristics of the demographics and competition of the trade area, changes in and effectiveness and continuity of marketing and promotions Accordingly, you acknowledge and agree you have not relied on the Information in entering this Amendment, have performed your own independent investigations (e g contacted other franchisees) and waive any claim related to the Information The Guide and the Information are part of Company's confidential and proprietary information and subject to the terms of your Franchise Agreement

5 Effect Except as amended, the Agreements are in all respects ratified and confirmed and all of the terms, conditions and provisions thereof shall be and remain in full force and effect and Operator confirms Company is in compliance therewith The terms and words of art used in this Amendment have the respective meanings given them in the Agreements and any amendment thereto prior to the date hereof

For Huddle House® Restaurant Unit Number: #_____

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Amendment as of the date written below

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT B

LIST OF STATE ADMINISTRATORS

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

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT C

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT D

LIST OF FRANCHISE OWNERS AND FORMER FRANCHISEES

LIST OF FRANCHISE OWNERS

The following lists the names, addresses and telephone numbers of HHI Standard Unit franchisees in the Huddle House System as of May 1, 2019

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Price Foods, Inc	538	8081 Highway 431	Albertville	AL	35950	(256) 891-1424
D & L Foods, Inc	592	4727 Hwy 280	Alexander City	AL	35010	(256) 215-7267
Shuler Enterprises, LLC	447	6371 US Hwy 431	Alexandria	AL	36250	(256) 820-8121
Suddle Enterprises, Inc	389	1209 MLK Expressway	Andalusia	AL	36420	(334) 222-8141
Price Foods, Inc	392	759 N Brindlee Mt Pkwy	Arab	AL	35016	(256) 931-2073
Price Foods, Inc	657 1	37177 Highway 231, Unit 1	Ashville	AL	35953	(205) 594-7345
Price Foods, Inc	668	1450 US Highway 431	Boaz	AL	35957	(256) 840-768
Foods South, Inc	278	1715 Douglas Ave	Brewton	AL	36426	(251) 867-8893
MM&C Management, LLC	630	10902 Covered Bridge Road	Brookwood	AL	35444	(205) 507-4160
Suddle Enterprises, Inc	734	6024 Boll Weevil Circle	Enterprise	AL	36330	(334) 348-1655
Suddle Enterprises, Inc	482	1076 Third Street	Florala	AL	36442	(334) 858-5113
NEAFS, Inc	832	120 Airport Road West	Fort Payne	AL	35968	(256) 979-1555
Price Foods, Inc	507	1830 Gunter Avenue	Guntersville	AL	35976	(256) 582-8019
JDM Management, LLC	585	210 River Road Drive	Hamilton	AL	35570	(205) 921-0525
Hartselle Foods, Inc	353	1802 East Main Street	Hartselle	AL	35640	(256) 502-8222
Shuler Enterprises II, LLC	196	1015 Pelham Road South	Jacksonville	AL	36265	(256) 435-3178
Gupta, LLC	383	12175 Stemley Road	Lincoln	AL	35096	(205) 763-3033
Foods South, Inc	225	4482 S Alabama Ave	Monroeville	AL	36460	(251) 743-4833
P&J Investments, Inc	610	4653 Highway 25	Montevallo	AL	35115	(205) 665-4345
Price Foods, Inc	106	1009 Second Avenue	Oneonta	AL	35121	(205) 625-5987
Copperline Enterprises, LLC	741	2020 Gateway Drive	Opelika	AL	36801	(334) 745-4800
Price Foods, Inc	941	3101 Mountain Cove Circle	Owens Cross Roads	AL	35763	

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Morrison Enterprises Inc	057	505 Hwy 278 East	Piedmont	AL	36272	(256) 447-9672
Shuler Enterprises, LLC	574	109 W Grand Ave	Rainbow City	AL	35906	(256) 442-8866
Vanna's Food Management, Inc	370	3106 Hwy 431	Roanoke	AL	36274	(334) 863-6424
Price Foods, Inc	530	1402 County Park Rd	Scottsboro	AL	35769	(256) 575-0300
Tide Foods, Inc	116	40930 Hwy 280 Bypass	Sylacauga	AL	35150	(256) 245-3885
Suddle Enterprises, Inc	719	1677 US Highway 231 South	Troy	AL	36079	(334) 808-4022
Ralph Lawrence	882	405 Warrior Jasper Road	Warrior	AL	35180	(205) 647-9980
Bush Investments, Inc	296	7495 U S Hwy 231 N	Wetumpka	AL	36092	(334) 567-6444
JDM Management, LLC	833	7126 State Hwy 129	Winfield	AL	35594	(205) 487-0794
Hargis and Hargis, LLC	398	378 Hwy 65 South	Clinton	AR	72031	(501) 745-8858
Double CSW Restaurants, LLC	595 1	910 Highway 425 N	Monticello	AR	71655	(870) 367-8888
Glenmar Enterprises Corporation	609	4563 W Keiser Ave	Osceola	AR	72370	(870) 563-6099
Glenmar Foods, LLC	1016 1	2807 W Kings Highway	Paragould	AR	72450	(870)815-0104
Double CSW Restaurants, LLC	709 1	7335 Sheridan Road	White Hall	AR	71602	(870) 395-7277
Impact Hospitality Brooksville, LLC	961	1170 S Broad Street	Brooksville	FL	34601	(352) 796-8839
Impact Hospitality Crystal River, LLC	622 1	1208 North East 5th Street	Crystal River	FL	34429	(352) 794-6694
Impact Hospitality Inverness, LLC	570 1	321 South Highway 41	Inverness	FL	34450	(352) 423-1276
JDRM, LLC	581	4094 County Road 218	Middleburg	FL	32068	(904) 291-3850
Varahi 0217, LLC	879	331 NW 20th Street	Ocala	FL	34475	(352) 236-4411
Z M & W Foods, Inc	454	3909 Crill Avenue	Palatka	FL	32177	(386) 325-2558
Ware Oil & Supply Co , Inc	534	2717 S Byron Butler Parkway	Perry	FL	32348	(850) 838-1853
AKA 314 LLC	314	650 N Temple Ave	Starke	FL	32091	(904) 964-2236
Z M & W Foods, Inc	359	463949 State Road 200	Yulee	FL	32097	(904) 277-8666
Jassoki 1 Corporation	401 2	1503 West Fourth Street	Adel	GA	31620	(229) 896-7454
AKA 635 LLC	635 1	902 S Pierce Street	Alma	GA	31510	912-632-7070
Fine Food, LLC	214	3325 Mike Padgett Hwy	Augusta	GA	30906	(706) 793-4814

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Fine Food, LLC	430	1297 Ellis Street	Augusta	GA	30901	(706) 774-0407
M & Wiggins Enterprises, Inc	486 1	160 E Parker Street	Baxley	GA	31513	(912) 367-7100
Yeah, That's Right, LLC	249	3428 US Highway 84 West	Blackshear	GA	31516	(912) 807-4353
Leonard Food Management, LLC	212	29 Golf Course Road	Blairsville	GA	30512	(706) 745-7095
Angeo Enterprises II, LLC	566	3140 Martin Luther King Boulevard	Blakely	GA	39823	(229) 723-0882
AKA 202 LLC	202 1	5408 New Jesup Hwy	Brunswick	GA	31523	912-265-4284
Over Easy Number V L P	062	566 Highway 53 East	Calhoun	GA	30701	(706) 383-8624
Montfort Foods, LLC	721	115 East Avenue	Cedartown	GA	30125	(770) 748-4662
Over Easy Number VII, L P	600	612 S Third Avenue	Chatsworth	GA	30705	(706) 971-3767
Bhathi, LLC	643	14 Bushrod Johnson Ave	Chickamauga	GA	30707	(706) 375-1560
Team Investments, Inc	092	459 Washington St	Clarkesville	GA	30523	(706) 839-1225
M & Wiggins Enterprises, Inc	950	102 Plyler St	Claxton	GA	30417	(912) 732-1021
ESP Food Service, LLC	213	143 Highway 441, N	Clayton	GA	30525	(706) 782-7398
Team Investments, Inc	192	15 Old Blairsville Road	Cleveland	GA	30528	(706) 865-5922
CBC Foods, Inc	208	142 East Dykes Street	Cochran	GA	31014	(478) 934-0505
Oz Food LLC	047 1	501 Buford Highway	Cumming	GA	30040	(770) 844-1959
Parkash, Inc	431	152 US Highway 82 East	Cuthbert	GA	39840	(229) 732-3037
Lahnatiya, Inc	267 1	1085 Forrester Dr SE	Dawson	GA	39842	(229) 995-2999
ED Foods, Inc	412	721 Central Drive	East Dublin	GA	31027	(478) 275-9279
Nameloc Corporation	104	102 Fifth Avenue	Eastman	GA	31023	(478) 374-5088
ISA Restaurant Group, LLC	154	623 Elbert St	Elberton	GA	30635	(706) 283-8466
Fitz Food, Inc	439	265A Ocilla Highway	Fitzgerald	GA	31750	(229) 424-0980
PATRIOT FOODS, LLC	584	267 Avenue of the States Dr	Fort Gordon	GA	30905	(706) 798-3722
KERIAJOES, LLC	926 1	1920 Jesse Jewell Parkway	Gainesville	GA	30501	(470) 252-5870
The Jiffy Market Food Store Corp	229	301 North Main St	Glennville	GA	30427	(912) 654-9074
HHK Food, LLC	282 2	192 West Clinton St	Gray	GA	31032	(478) 986-1205

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
SCWE Investments, LLC	601 1	6139 Lake Oconee Parkway	Greensboro	GA	30642	(706) 453-9833
Honeybee Hospitality Operations, LLC	840	803 GA Highway 122 West	Hahira	GA	31632	(229) 794-8144
The Washington Company, Inc	336	175 E Milledgeville Rd	Harlem	GA	30814	(706) 556-0058
Restaurants by George, LLC	200	324 E Franklin Street	Hartwell	GA	30643	(706) 377-4220
RDJ Development Company, Inc	235	503 Broad Street	Hawkinsville	GA	31036	(478) 783-2032
Rocket Enterprises, Ltd	872 1	154 East Jarman Street	Hazlehurst	GA	31539	(912) 307-5090
Hospitality Food Service, LLC	327 1	8428 S Main Street	Helen	GA	30545	(706) 878-3202
Impact Hospitality Hephzibah, LLC	271 1	2626 Tobacco Road	Hephzibah	GA	30815	(706) 796-9701
Hospitality Food Service, LLC	593 1	534 Bell Creek Road	Hiawassee	GA	30546	(706) 896-9999
DE/RAN ADVENTURES, INC	099	710 Oglethorpe Highway	Hinesville	GA	31313	(912) 876-0992
Brown's Bread & Butter II, LLC	325	805 West Dame Ave	Homerville	GA	31634	(912) 487-5300
Jackson Investments, Inc	254	775 E 3rd Street	Jackson	GA	30233	(770) 775-4068
Royal Refreshments J LLC	947	2679 Highway 16 West	Jackson	GA	30233	(770) 233-9706
Shepherd's Foods, Inc	355	5220 Hwy 96, Rt 1 Hwy 96 & I-16	Jeffersonville	GA	31044	(478) 945-3741
DE/RAN Enterprises, Inc	528	901 South First Street	Jesup	GA	31545	(912) 427-3999
Brown's Bread & Butter II, LLC	366	251 West Main Street	Lakeland	GA	31635	(229) 482-2858
DE/RAN, INC	293	499 West Cypress Street	Ludowici	GA	31316	(912) 545-2788
Ocmulgee Food Services, Inc	451	4900 Ocmulgee E Blvd	Macon	GA	31217	(478) 745-1145
Fine Food, LLC	776	1881 Eatonton Road	Madison	GA	30650	(706) 342-3150
Smith Family Restaurants, Inc	626	35 Foothills Parkway	Marble Hill	GA	30148	(770) 894-4684
MHC Foods, Inc	385	350 Keys Ferry Street	McDonough	GA	30253	(770) 898-0670
Nameloc Corporation	226	90 West Oak Street	McRae	GA	31055	(229) 868-2434
Impact Hospitality Milledgeville, LLC	239 1	300 East Hancock St	Milledgeville	GA	31061	(478) 452-2680
Baalkrishna, LLC	434	206 Roberson Mill Road	Milledgeville	GA	31061	(478) 452-3222
Montez Foods, Inc	218	500 Spaulding Road	Montezuma	GA	31063	(478) 472-4746

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Benhoov Enterprises Inc	317	401 Veterans Parkway, E Bypass SE	Moultrie	GA	31768	(229) 890-3188
The Jiffy Market Food Store Corp	272	101 Allen Street	Nahunta	GA	31553	(912) 462-7557
Impact Hospitality Nashville, LLC	245 1	718 South Davis St	Nashville	GA	31639	(229) 686-9880
D P and T Fast Foods, Inc	052	1430 Hwy 29 South	Newnan	GA	30263	(770) 253-1749
Benhoov Enterprises Inc	446	2457 U S Hwy 19	Pelham	GA	31779	(229) 294-8181
Montfort Foods II, LLC	156	299 Sunset Drive SE	Rome	GA	30161	(706) 378-2288
Impact Hospitality Sandersville, LLC	183 1	1221 S Harris Street	Sandersville	GA	31082	(478) 552-7669
2 Times Enterprises Inc	246	13015 Abercorn Ext	Savannah	GA	31419	(912) 921-0220
Impact Hospitality Soperton, LLC	182 1	10596 Georgia Highway 29	Soperton	GA	30457	(912) 529-3050
IHH, Inc	158	1701 Frederica Road	St Simons Island	GA	31522	(912) 634-0688
Navatan 108, Inc	857 1	2201 Georgia Highway 57	Townsend	GA	31331	(912) 832-2060
Over Easy Number VI, L P	273	4980 Highway 136 West	Trenton	GA	30752	(706) 657-2052
Impact Hospitality Valdosta, LLC	331 1	419 E Northside Drive	Valdosta	GA	31602	(229) 245-8511
SCWE Investments, LLC	280 1	2613 E First Street	Vidalia	GA	30474	(912) 538-8036
WR Investments, Inc	197	2075 Watson Blvd	Warner Robins	GA	31093	(478) 929-2700
RP Foods, Inc	338	215 Russell Parkway	Warner Robins	GA	31088	(478) 923-1030
Yeah, That's Right, LLC	829	1010 Memorial Drive	Waycross	GA	31501	(912) 490-4353
BCD Huddle, LLC	115 2	323 South Liberty Street	Waynesboro	GA	30830	(706) 554-4234
PEV Investments LLC	195 1	740 N Main Street	Wrens	GA	30833	(706) 547-7760
RVE Diners, Inc	753	1730 South State Route 127	Greenville	IL	62246	(618) 664-2255
RVE Development, Inc	769	12475 State Route 143	Highland	IL	62249	(618) 654-2250
JL Brandt, LLC, Litchfield	827	11 Corvette Drive	Litchfield	IL	62056	(217) 324-2212
Jellen Enterprises, Inc	878	305 Comfort Dr	Marion	IL	62959	(618) 944-4510
SDS Stores, Inc	782 1	9810 Perrin Road	Mascoutah	IL	62258	(618) 566-3663
Acees Inc	648 1	2105 East 5th Street	Metropolis	IL	62960	(618) 524-4179

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Huddle Again, Inc	842 3	101 South 45th Street	Mount Vernon	IL	62864	(618) 315-6245
RVE 4, LLC	819	7 Mattes Avenue	Vandalia	IL	62471	(618) 283-2255
D & L Harbin, Inc	663	994 Ann Rutledge Drive	Williamsville	IL	62693	(217) 566-2067
Austin Foodmart, Inc	762 1	118 South Dowling Street	Austin	IN	47102	(812) 794-4600
Over Easy Number XVI, LLC	793	520 South state Road 39	Lebanon	IN	46052	(765) 483-9759
Over Easy Number XV, LLC	791	3105 Doyle Road	New Haven	IN	46774	(260) 493-4878
Over Easy Number IX, L P	780	4215 West Highway 50	Emporia	KS	66801	(620) 343-3099
Over Easy Number X, L P	781	2250 North Ohio Street	Salina	KS	67401	(785) 825-1648
Twin Lakes HH, LLC	984	1735 W 21st St North	Wichita	KS	67203	(316) 440-3399
DeBartolo's Investments of S C , Inc	634	1478 East John Rowan Blvd	Bardstown	KY	40004	(502) 349-7540
All 4 Him LLC	627 1	751 Bypass Road	Brandenburg	KY	40108	(270) 422-1733
Huddle Again II, Inc	652 2	398 Campbellsville Bypass	Campbellsville	KY	42718	(270) 789-0002
Brandon Standiford	621	629 South 2nd Street	Central City	KY	42330	(270) 754-3663
SS & TT Enterprises, LLC	618	325 W Cumberland Gap Parkway	Corbin	KY	40701	(606) 258-7101
Amigo Foods, LLC	602	308 Skywatch Drive	Danville	KY	40422	(859) 239-9391
All 4 Him LLC	718 1	1018 Bellefonte Road	Flatwoods	KY	41139	(606) 836-0135
All 4 Him LLC	449 1	200 State Route 1947	Grayson	KY	41143	(606) 475-9800
Lonesome Pine Dining, Inc	509	316 South Main St	Harlan	KY	40831	(606) 573-4900
Amigo Foods, LLC	711 1	1066 North College Street	Harrodsburg	KY	40330	(859) 734-4277
Mountaineer Restaurants, Inc	515	173 Village Lane	Hazard	KY	41701	(606) 436-5733
EXIT 40 PROPERTIES, LLC	577	73 Days Inn Drive	Kuttawa	KY	42055	(270) 388-0811
All 4 Him LLC	716	1014 Bypass South	Lawrenceburg	KY	40342	(502) 859-0880
All 4 Him LLC	673	613 West Main Street	Lebanon	KY	40033	(270) 699-2143
Standiford Group, Inc	548 1	118 Commerce Drive	Leitchfield	KY	42754	(270) 230-0100
Luxor Foods, LLC	537	201 Kings Way	London	KY	40741	(606) 862-4055

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Blue Valley Development, LLC	715	455 Hudson Park	Madisonville	KY	42038	(270) 825-2366
Clay Foods, Inc	565	415 Highway 80	Manchester	KY	40962	(606) 598-0109
Hometown Family Foods, LLC	557 1	235 E Hwy 90 Bypass	Monticello	KY	42633	(606) 348-3447
J & F Enterprises, LLC	685	2323 Flemingsburg Road	Morehead	KY	40351	(606) 784-1139
BLTK Hospitality, LLC	934	3248 Mount Moriah Ave	Owensboro	KY	42303	(270) 240-2076
Huddle Again II, Inc	679 2	3060 S Dixie Blvd	Radcliff	KY	40160	(270) 352-5200
All 4 Him, LLC	1020	2475 Lakeway Drive	Russell Springs	KY	42642	(270) 858-6326
Avery Hospitality, Inc	849	71 Lois Moore Drive	Scottsville	KY	42164	(270) 622-3663
Mountain View Development, LLC	606	1125 N Hwy US 27	Whitley City	KY	42653	(606) 376-2500
SS & TT Enterprises of Williamsburg, LLC	576	583 Hwy 92	Williamsburg	KY	40769	(606) 549-8904
D'Argent Franchising, LLC	971	2710 MacArthur Drive	Alexandria	LA	71301	(318) 704-6196
Double CSW Restaurants, LLC	616 1	2301 E Madison Ave	Bastrop	LA	71220	(318) 281-5464
101 Operating Company Inc	615	536 Highway 151 North	Calhoun	LA	71225	(318) 644-0756
B & E Murrel, LLC	677 1	800 North Main Street	Farmerville	LA	71241	(318) 982-8144
Doughboy Foods, LLC	682	7323 Utah Avenue	Ft Polk	LA	71459	(337) 535-4754
LaPlace Travel Center, LLC	460	4325 US Hwy 51	LaPlace	LA	70068	(985) 651-1800
JAM Properties, LLC	680	12155 US Highway 80 Suite 2	Minden	LA	71055	(318) 382-4954
Bealu, LLC	564	5306 University Parkway	Natchitoches	LA	71457	(318) 352-7711
Barth HH, Inc	633	104 Maryhill Road	Pineville	LA	71360	(318) 641-1875
Charles, Gail & James Ellis	109	501 North Service Rd	Ruston	LA	71270	(318) 255-1449
Jyireh II, LLC	767	1640 St Mary Street	Scott	LA	70583	(337) 456-5102
Ortego Oil & Supply Company, LLC	1023	1828 I-49 Frontage Road	Sunset	LA	70584	(985)447-3811
LUCKY STAR TRAVEL CENTER, LLC	571	103 E Bayou Road	Thibodaux	LA	70301	(985) 447-5567
Louisiana C Store Management Associates, LLC	763	9800 Westbank Expressway	Westwego	LA	70094	(504) 355-4242
Hope Ventures, LLC	937	10595 Greenbelt Rd	Lanham	MD	20706	(240) 260-3199
J B Contracting, Inc	533	10 Northwood Drive	Bonne Terre	MO	63628	(573) 358-5882

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
American Landmark Properties, LLC	720	511 North Kingsway	Cape Girardeau	MO	63701	(573) 332-7400
Over Easy Number XVII LLC	797 1	2460 East US Highway 60	Charleston	MO	63834	(573) 683-4176
Britton Restaurants, LLC	541	5887 Highway 19 N	Cuba	MO	65453	(573) 885-0043
Knott Enterprises, LLC	792	13012 State Route 21	DeSoto	MO	63020	(636) 586-9222
Harwell Holdings, LLC	949	1019 W Business US Hwy 60	Dexter	MO	63841	(417) 773-0270
Ratliff, Inc	586	305 East Karsch Blvd	Farmington	MO	63640	(573) 760-9213
Ratliff, Inc	800	1261 West Main Street	Fredericktown	MO	63645	(573) 783-0074
J B Restaurant Investments, Inc	650	8 Chat Road	Leadington	MO	63601	(573) 431-7000
Harwell Holdings, LLC	438	2914 N Westwood Blvd	Poplar Bluff	MO	63901	(573) 727-0054
J B Restaurant Investments, Inc	617	10022 Franklin Road	Potosi	MO	63664	(573) 436-0671
Knott Enterprises, LLC	642	1201 North Bishop Ave	Rolla	MO	65401	(573) 426-4401
Ratliff, Inc	649	21962 State Highway 32	Sainte Genevieve	MO	63670	(573) 883-9899
Huddle Amory Inc	644 1	1511 Highway 278 East	Amory	MS	38821	(662) 257-9728
ANGS Group, Inc	732	1123 Old Fannin Road	Brandon	MS	39047	(601) 919-2414
TRC Properties, LLC	489	8 Grandview Drive	Collins	MS	39428	(601) 765-0405
Clark Oil Company, Inc	728	1304 Chantilly Street	Laurel	MS	39440	(601) 428-1985
Drennan Family Foods, LLC	572	1664 Simpson Hwy 49	Magee	MS	39111	(601) 849-2814
Gatekeeper Enterprises, Inc	676	924 City Avenue South	Ripley	MS	38663	(662) 837-4933
Huddle Tupelo Inc	653 1	107 Stone Creek Blvd	Tupelo	MS	38804	(662) 680-3216
Hospitality Food Service, LLC	416 1	148 Main Street	Andrews	NC	28901	(828) 321-3663
BDK of Randolph, LLC	371	731 West Dixie Drive	Asheboro	NC	27205	(336) 629-0302
ASTA Hospitality, LLC	126	400 Hendersonville Road	Asheville	NC	28803	(828) 274-5726
ISA Restaurant Group, LLC	324	42 Asheville Highway	Brevard	NC	28712	(828) 884-2726
Hospitality Food Service, LLC	315 1	609 Hwy 441 & 23	Dillsboro	NC	28725	(828) 586-3663
Hospitality Food Service, LLC	188 2	914 Georgia Road	Franklin	NC	28734	(828) 524-9324

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
GPG Enterprises, Inc	476 2	2600 US Highway 117 S	Goldsboro	NC	27530	(919) 581-0296
Hospitality Food Service, LLC	237 1	180 Hwy 64 East	Hayesville	NC	28904	(828) 389-4424
Wilkerson Enterprises, Inc	334	1713 US Highway 15	Laurinburg	NC	28352	(910) 610-4100
Dobbs Place Incorporated	496	2806 West 5th Street	Lumberton	NC	28358	(910) 738-8084
RAK Management, LLC	659 1	610 Tallulah Road	Robbinsville	NC	28771	(828) 479-9695
Ameer Enterprise, Inc	474 1	940 W Broad Street	St Pauls	NC	28384	(910) 865-6100
Gandhi & Dinakaran of Stokesdale, Inc	638	2301 U S Highway 220 North	Stokesdale	NC	27357	(336) 445-0083
Hospitality Food Service, LLC	463 1	49 Hyatt Creek Road	Waynesville	NC	28786	(828) 456-8601
Over Easy Number XVIII, LLC	790 1	3150 39th Street SW	Fargo	ND	58104	(701) 282-7766
Tim Lichti	850	5018 S Lincoln Avenue	York	NE	68467	(402) 362-1009
ANJU Food Outlets, LLC	957	17 Outwater Lane	Garfield	NJ	07026	(973) 955-0895
The Village Eats, LLC	629	5000 Park Avenue, West	Seville	OH	44273	(330) 769-1600
Over Easy Number XI, LLC	777	2450 Cooper Drive	Ardmore	OK	73401	(580) 223-6435
Over Easy Number XII, LLC	778	4801 Northeast 122nd Street	Edmond	OK	73013	(405) 475-1059
Hutchinson Oil Company, LLC	761	103 Regional Drive	Elk City	OK	73644	(580) 303-4505
Over Easy Number XIII, LLC	779	701 South Morgan Road	Oklahoma City	OK	73128	(405) 577-2017
Seven Bridge Road Hospitality, LLC	914	838 Seven Bridge Rd	East Stroudsburg	PA	18301	(570) 424-8245
Over Easy Number XIX, LLC	787 1	2210 Camp Swatara Road	Frystown	PA	17067	(717) 933-4171
BFS Foods, Inc	799	106 Gas Company Road	Mt Morris	PA	15349	(724) 324-9320
Circle K Stores Inc	425	1694 Old 96 Indian Trail Road	Batesburg	SC	29006	(803) 657-6686
William & Timothy Wilkerson	240	1141 Cottingham Blvd	Bennettsville	SC	29512	(843) 479-6968
Wilkerson Enterprises, Inc	683	1343 Sumter Highway	Bishopville	SC	29010	(803) 428-2147
Wilkerson Enterprises, Inc	177	1029 W Dekalb Street	Camden	SC	29020	(803) 432-3922
William & Timothy Wilkerson	172	866 US Hwy 1 South	Cheraw	SC	29520	(843) 537-0222
AYS Enterprises, Inc	162 1	799 Radford Blvd	Dillon	SC	29536	(843) 774-1913
AYS Enterprises, Inc	475 2	400 Pamplico Hwy	Florence	SC	29505	(843) 669-9138

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Tulsi Foods, LLC	599 1	1904 W Evans Street	Florence	SC	29501	(843) 667-8898
Circle K Stores Inc	527	651 Bettis Academy Road,	Graniteville	SC	29829	(803) 663-6561
JA Foods, Inc	374	556 Hwy 72 Bypass NW	Greenwood	SC	29649	(864) 227-0800
JA Foods, Inc	520	2531 U S 25 South	Greenwood	SC	29646	(864) 943-2400
Hampton Foods, LLC	181	809 Elm Street, West	Hampton	SC	29924	(803) 943-5734
Fine Food, LLC	219	904 S 5th Street	Hartsville	SC	29550	(843) 332-1567
James Island Foods, LLC	259	933 Folly Road	James Island	SC	29412	(843) 762-7404
Kingstree Foods, LLC	150	1611 North Long Street	Kingstree	SC	29556	(843) 354-7953
C & S, LLC	257	92 Sea Island Parkway	Lady's Island	SC	29907	(843) 379-0590
Mary Jane Enterprises, Inc	227	218 N Ron McNair Blvd	Lake City	SC	29560	(843) 394-5195
William & Timothy Wilkerson	170	1145 Highway 9 Bypass West	Lancaster	SC	29720	(803) 283-8871
FNG Hospitality, LLC	138	2867 Paxville Highway	Manning	SC	29102	(803) 473-3670
AYS Enterprises, Inc	500 1	2424 U S Hwy 76	Marion	SC	29571	(843) 275-0370
AYS Enterprises, Inc	437 1	206 E Pine St	McBee	SC	29101	(843) 335-5376
JA Foods, Inc	311	308 South Mine Street	McCormick	SC	29835	(864) 852-2601
Moncks Corner Foods, LLC	205	404 N Hwy 52	Monck's Corner	SC	29461	843-899-8300
ISA Restaurant Group, LLC	582	112 Halter Drive	Piedmont	SC	29673	(864) 220-9056
ISA Restaurant Group, LLC	329	320 N Main Street	Saluda	SC	29138	(864) 445-8865
FNG Hospitality, LLC	127	9047 Old Number Six Hwy	Santee	SC	29142	(803) 854-2220
ISA Restaurant Group, LLC	394	515 A By-Pass 123	Seneca	SC	29678	(864) 882-9525
Walterboro Foods, LLC	203	1593 Bells Highway	Walterboro	SC	29488	(843) 538-3141
Sarnarth, Corp	876	24315 Main Street	Ardmore	TN	38449	(931) 427-3030
Huddle Again TN, Inc	713 3	105 Fast Lane	Baxter	TN	38544	(931) 858-1713
Over Easy, LP	624	5611 Brainerd Road	Chattanooga	TN	37411	(423) 499-2447

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Johnny Mack & Beverly W Louallen	583	4601 Rhea County Highway	Dayton	TN	37321	(423) 775-5790
Over Easy III, L P	588	15352 Rankin Ave S	Dunlap	TN	37327	(423) 949-9902
White Oak Enterprises	706	1037 Nashville Highway	Lewisburg	TN	37091	(931) 359-7999
Huddle Again TN, Inc	608 3	1660 Pamida Drive	Livingston	TN	38570	(931) 403-6608
Over Easy Number IV, L P	499	2426 E Lamar Alexander Parkway	Maryville	TN	37804	(865) 379-4409
Hospitality Food Service, LLC	535 1	1130 W Hwy 25/70	Newport	TN	37821	(423) 625-6371
Ocoee Whitewater Properties, LLC	686	4141 Hwy 411	Ocoee	TN	37361	(423) 338-7385
Wendi Lundberg	295	1502 East Wood St	Paris	TN	38242	(731) 644-1515
Price Foods, Inc	399 1	1209 N Main Street	Shelbyville	TN	37160	(931) 685-0082
Over Easy Number VIII, L P	619	9401 Reco Drive	Soddy Daisy	TN	37379	(423) 332-0230
Huddle Again TN, Inc	555 3	810 Walker Cove Rd	Sparta	TN	38583	(931) 739-1555
Gajanand Foods, LLC	970	259 New Hwy 68	Sweetwater	TN	37874	(423) 271-6475
Over Easy Number XIV, LLC	788	714 S Central Expressway	Anna	TX	75409	(972) 924-2907
KC & KAJI LLC	773 1	2819 Interstate 30 West	Caddo Mills	TX	75135	(903) 527-5050
Cleburne Double H, Inc	641	200 S Colonial Drive	Cleburne	TX	76033	(817) 641-7600
Frank Rajan	856	1409 East loop 304	Crockett	TX	75835	(936) 545-2908
Eagle Home Development and Construction Inc	768	2352 El Indio Highway	Eagle Pass	TX	78852	(830) 776-7083
WFTS Ventures, LLC	841	426 North FM 548	Forney	TX	75126	(972) 552-2855
Kent Distributors, Inc	591	100 S Gun Barrel Lane	Gun Barrel City	TX	75156	(903) 887-5255
H B American Group, Inc	875	24100 FM 2100	Huffman	TX	77336	(936) 672-5575
Cleburne Double H, Inc	704	319 N Broadway	Joshua	TX	76058	(817) 556-3035
Kent HH, LLC	725	220 E Jim Sharp Blvd	Kermit	TX	79745	(432) 586-2103
PK Lion Restaurant, Inc	944	1155 East Church Street	Livingston	TX	77351	(936) 327-5344
Kent HH, LLC	930 1	6616 Milwaukee	Lubbock	TX	79424	(806) 687-2257
Kent HH, LLC	724	2113 S Stockton Ave	Monahans	TX	79756	(432) 943-2171
Fikes Wholesale, Inc	817	533 Interstate 30 West	Mt Vernon	TX	75457	(903) 588-3001
Shamsuddin Panjwani	867	6025 FM 3538 Rd	Sealy	TX	77474	(979) 627-7100

Franchisee Name	Unit #	Address	City	State	Zip Code	Unit Phone Number
Kent HH, LLC	805	600 South Access Road	Tye	TX	79563	(325) 692-4176
Fikes Wholesale, Inc	818	2824 Highway 287 North	Vernon	TX	76384	(940) 552-2512
Enterprise Shipping International, LLC	902 2	904 West Montgomery Street FM 1097	Willis	TX	77378	(832) 488-9441
LWB Enterprises, Inc	578 1	1128 E Lynchburg Salem Turnpike	Bedford	VA	24523	(540) 650-0494
Lonesome Pine Dining, Inc	925	4611 Aerial Way	Big Stone Gap	VA	24219	(276) 523-6530
HudSun LLC	551 1	1407 South Main Street	Blackstone	VA	23824	(434) 298-2149
Southern VA Foods, LLC	744	3134 Highway 903	Bracey	VA	23919	(434) 689-0100
WEGO, Inc	839	473 Kempsville Road	Chesapeake	VA	23320	(757) 410-9091
Lonesome Pine Dining, Inc	612	5692 Dickenson Highway	Clintwood	VA	24228	(276) 926-8871
Southern VA Foods, LLC	739	1589 Skippers Road	Emporia	VA	23847	(434) 634-2829
HudSun LLC	562 1	1800 South Main Street	Farmville	VA	23901	(434) 332-3027
Southern VA Foods, LLC	598	1549 Armory Drive	Franklin	VA	23851	(757) 562-0330
Lonesome Pine Dining, Inc	628	1526 West Morgan Avenue	Pennington Gap	VA	24277	(276) 546-5088
HudSun South Crater, LLC	936	11807 S Crater Rd	Petersburg	VA	23805	(804) 263-8232
Appalachian Restaurants, LLC	874	2659 Front Street	Richlands	VA	24641	(276) 345-9211
HudSun LLC	587 1	3614 Old Halifax Road	South Boston	VA	24592	(434) 272-4278
Lonesome Pine Dining, Inc	759	16414 Johnnie Ramey Dr	St Paul	VA	24283	(276) 762-5790
D & A II L L C	892	2872 Pruden Boulevard	Suffolk	VA	23434	(757) 935-5028
WEGO, Inc	838	1908 Landstown Centre Way	Virginia Beach	VA	23456	(757) 427-0303
Lonesome Pine Dining, Inc	544	107 Jackson Street, SW	Wise	VA	24293	(276) 321-7369
BFS Foods, Inc	740	1 WBUC Road	Buckhannon	WV	26201	(304) 473-1100
Kee Foods, LLC	559 1	1 Central Avenue	Chapmanville	WV	25508	(304) 855-2807
Huddle Again II, Inc	672 3	407 W Lafayette Avenue	Moundsville	WV	26041	(304) 810-0048

Franchisees with Signed Franchise Agreements but Units Not Yet Open as of May 1, 2019

Franchisee Name	Unit #	Contact Address	City	State	Zip Code	Contact Number
Skegee Travel Center, LLC	1078	180 West oak Street	Tuskegee	AL	36083	334 321 1650
Robert Ansah-Birikorang *Unit to be located in Bowie Maryland*	938	4408 16th St NW	Washington*	DC*	20011	202 607 9363
RASOI, LLC	1087	913 Beal Parkway A215	Fort Walton Beach	FL	32547	714 727 7493
MATA KAYTE INC	1043	25355 W Newberry Road	Newberry	FL	32669	352 262 8535
3 Checks, LLC	1075	91 Persimmon Drive	Palm Coast	FL	32164	440 623 3341
Quincy Restaurants, LLC	1025	831 Mount Paran Road	Atlanta	GA	30327	678 949 9782
Turbbit Food, LLC	1026	6921 Bay Laurel Way	Flowery Branch	GA	30542	916 484 1500
Moiez Lokhandwala	1068	4405 International Boulevard, Suite 106	Norcross	GA	30093	678 702 1190
H & H Operations, Inc	1014	2 TDK Boulevard	Peachtree City	GA	30269	404 234 5252
H & H Operations, Inc	1015	2 TDK Boulevard	Peachtree City	GA	30269	404 234 5252
Royal Refreshments J LLC	948	106 John Williams Parkway	McDonough	GA	30252	678 938 5173
Siraj Elahi	1006	6946 N Keystone Avenue	Lincolnwood	IL	60712	847 626 5400
Siraj Elahi	1009	6946 N Keystone Avenue	Lincolnwood	IL	60712	847 626 5400
Siraj Elahi	1010	6946 N Keystone Avenue	Lincolnwood	IL	60712	847 626 5400
Kulwinder Singh	1031	6640 Silverthorne Way	Indianapolis	IN	46259	917 402 7778
GCW1, LLC	1054	8214 Champions	Wichita	KS	67226	316 200 1707
ANJU Food Outlets, LLC	958	271 Ashley Place	Paramus	NJ	07652	201 264 2841
ANJU Food Outlets, LLC	959	271 Ashley Place	Paramus	NJ	07652	201 264 2841
ANNJHH, LLC	877	9 Gunter View	Towaco	NJ	07082	201 438 1666
Richard Lillard	1081	10500 South 587 Road	Miami	OK	74354	918 533 6323
Richard & Kathy Breaman	982	9 Little Flower Avenue	Nesquehoning	PA	18240	570 656 1020
BAM VENTURES, LLC	1046 1	7797 Kershaw Camden Hwy	Kershaw	SC	29067	803 669 3535
BAM VENTURES, LLC	1047 1	7797 Kershaw Camden Hwy	Kershaw	SC	29067	803 669 3535
BAM VENTURES, LLC	967	7797 Kershaw Camden Hwy	Kershaw	SC	29067	803 669 3535
Blue Ridge Dining Partners, LLC	1035 1	3426 Poplar Hill	Clarksville	TN	37043	931 216 8980
Kamlesh Patel	1066	81 Red Bird Drive	Lexington	TN	38372	731 343 0669
Kamlesh Patel	1067	81 Red Bird Drive	Lexington	TN	38372	731 343 0669
Gajanand Foods, LLC	969	1016 County Road 327	Niota	TN	37826	337 740 4671

Franchisee Name	Unit #	Contact Address	City	State	Zip Code	Contact Number
Om Sai of Savannah, LLC	723 3	81 Red Bird Drive	Lexington	TN	38372	731 434 0669
D'Argent Franchising, LLC	972	Moreau Street and Tunica Drive	Marksville	TN	71301	318 787 6049
JYKM-HH-Walburg, LLC	1052	13111 Kirkglen Drive	Austin	TX	78727	512 633 3796
JYKM TTC Restaurant, LLC	1053	13111 Kirkglen Drive	Austin	TX	78727	512 633 3796
Grey Moss Investment Group, Inc	981	2409 E Hauston Road	Cleveland	TX	77327	646 406 9002
Huddle House 968 LLC	968	4900 Western Center Boulevard, Suite B	Hatom City	TX	76137	817 808 0026
Southwest Griddle LLC	1044	6306 Lola Avenue #200	Lubbock	TX	79424	806 776 2477
Southwest Griddle LLC	1045	6306 Lola Avenue #200	Lubbock	TX	79424	806 776 2477
Donald Whitehorn	1073	2418 Leanett Way	Pearland	TX	77584	281 406 6131
Fikes Wholesale, Inc	1050	6261 Central Point parkway	Temple	TX	76504	254 791 0009
Kent HH, LLC	1079	2408 North big Spring Street	Midland	TX	79705	432 520 4000
Enterprise Shipping International, LLC	1041	25511 Budde Road, Suite 1802	The Woodlands	TX	77380	832 488 9441
Enterprise Shipping International, LLC	1042	25511 Budde Road, Suite 1802	The Woodlands	TX	77380	832 488 9441
Marshall Reed	966	4300 Grandstaff Road	Fredericksburg	VA	22408	540 891 5216
D & A II L L C	1007	1000 e city Hall Avenue	Norfolk	VA	23504	757 222 3144
HudSun LLC	1024	4595 Sandesara Drive	Prince George	VA	23875	804 263 8232
BFS Foods, Inc	1069	116 Shannon Drive	Morgantown	WV	26805	304 291 6980

HUDDLE HOUSE, INC – COMPANY OWNED RESTAURANTS

The following lists the Huddle House Restaurants that HHI owns and operated as of May 1, 2019

	Unit Number	Address	City	State	Zip Code
Huddle House, Inc	094	719 East Battle Street	Talladega	AL	35160
Huddle House, Inc	352	1580 West Main Street	Centre	AL	35960
Huddle House, Inc	442 1	1410 Gilmer Avenue	Tallassee	AL	36078
Huddle House, Inc	508 1	5714 Hwy 278 East	Hokes Bluff	AL	35903
Huddle House, Inc	521 1	16937 Hwy 280	Chelsea	AL	35043
Huddle House, Inc	297 1	1402 North Young Blvd	Chiefland	FL	32626
Huddle House, Inc	695 1	3320 N US Highway 441	Lake City	FL	32055
Huddle House, Inc	096	916 Oak Street	Eatonton	GA	31024
Huddle House, Inc	097 1	US One 438 South Main St	Swainsboro	GA	30401
Huddle House, Inc	130 1	306 U S Hwy 1 By-Pass	Louisville	GA	30434
Huddle House, Inc	161 1	1612 S Peterson Ave	Douglas	GA	31535
Huddle House, Inc	171	460 South Columbia Ave	Rincon	GA	31326
Huddle House, Inc	175	709 West Spring St	Monroe	GA	30655
Huddle House, Inc	193 1	401 W Ogeechee St	Sylvania	GA	30467
Huddle House, Inc	247 1	412 U S Highway 25, N	Millen	GA	30442
Huddle House, Inc	337 1	115 Elm Street	Lincolnton	GA	30817
Huddle House, Inc	409	1260 Hwy 21 South	Springfield	GA	31329
Huddle House, Inc	429	3887 Centerville Rosebud Road	Lithonia	GA	30039
Huddle House, Inc	472 1	1701 Ocilla Highway	Douglas	GA	31533
Huddle House, Inc	696 1	1100-D Hillcrest Parkway	Dublin	GA	31021
Huddle House, Inc	737 1	7860-B Senoia Road	Fairburn	GA	30213
Huddle House, Inc	216 1	237 Hwy 30 West	New Albany	MS	38652
Huddle House, Inc	326 1	230 Highway 45 S	West Point	MS	39773
Huddle House, Inc	335 1	2009 Military Road	Columbus	MS	39701
Huddle House, Inc	378 1	1925 W Jackson Ave	Oxford	MS	38655
Huddle House, Inc	382 1	2426 Highway 82 East	Greenville	MS	38703
Huddle House, Inc	433 1	660 Highway 7 South	Holly Springs	MS	38635
Huddle House, Inc	462 1	333 State Hwy 15 N	Pontotoc	MS	38863
Huddle House, Inc	469 1	2900 Hwy 72 West	Corinth	MS	38834
Huddle House, Inc	522 1	147 Lakewood Dr	Batesville	MS	38606
Huddle House, Inc	523 1	1603 South Adams Street	Fulton	MS	38843
Huddle House, Inc	540 1	500 E Main Street	Senatobia	MS	38668
Huddle House, Inc	558 1	1028-A West Beacon Street	Philadelphia	MS	39350
Huddle House, Inc	563 1	1203 N Second Street	Booneville	MS	38829
Huddle House, Inc	821 1	3760 South Eason Blvd, Suite B	Tupelo	MS	38801
Huddle House, Inc	111 1	5420 Highway 187	Anderson	SC	29625
Huddle House, Inc	169	10621 Dunbarton Blvd	Barnwell	SC	29812
Huddle House, Inc	262	808 East Liberty St	York	SC	29745

Huddle House, Inc	381 1	3602 Richland Ave W	Aiken	SC	29801
Huddle House, Inc	440 1	1120 Hwy 51 West	Dyersburg	TN	38024
Huddle House, Inc	458 1	3030 South First St	Milan	TN	38358
Huddle House, Inc	758 1	201 Hawks Road	Martin	TN	38237

FORMER FRANCHISEES

The following lists the names, city and state, and current business telephone numbers or if unknown, the last known home telephone) of HHI Standard Unit franchisees that had a franchise terminated, cancelled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under its Franchise Agreement during HHI's most recently completed fiscal year May 2, 2018 to April 30, 2019), or which has not communicated with HHI within 10 weeks of the date of this Disclosure Document If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

Former Franchisees of Units that Ceased Operating·

Former Franchisee Name	Unit #	Address	City	State	Zip Code	Phone Number
Terminations						
Garcia Enterprises, LLC	625	814 Main Street	Hanceville	AL	35077	256-599-4439
Mac 5 Restaurant Group, LLC	387 1	8191 State Road 6 West	Jasper	FL	32052	352-514-8299
Impact Hospitality Barnesville, LLC	393 1	646 South Hwy 341	Barnesville	GA	30204	678-702-1190
SARB Services, Inc	043	2420 N Cobb Pkwy	Kennesaw	GA	30152	770-499-0330
South Bend Holdings, LLC	531 2	1514 Kentucky 121, North	Murray	KY	42071	270-705-1373
South Bend Holdings, LLC	573 1	951 Paris Road	Mayfield	KY	42066	270-705-1373
Lloyd Business Holdings, LLC	909	1118 Whitehall Street	Jackson	TN	38301	731-402-6843
Lucky J Diner, LLC	825	680 I-45 South	Dew	TX	75860	713-771-6475
Charles E Justis	895	105 Cesar Chavez Rd	San Juan	TX	78589	956-961-4179
Texas Epicurian, LLC	902	904 West Montgomery Street FM 1097	Willis	TX	77378	713-983-8367
Nonrenewals						
ISA Restaurant Group, LLC	274	941 Franklin Springs St	Royston	GA	30662	864-243-3519
Club Kids of Millen, Inc	560	191 W Hendricks Street	Thomson	GA	30824	706-714-4552
The Washington Company, Inc	248	1006 N By-Pass East	Washington	GA	30673	912-270-57402
Silver Spoon LLC	699	2125 Rocky Drive	Paris	KY	40361	304-228-3399
Cease Operations (other reasons)						
The Glebe Restaurants, Inc	316	13656 Oglethorpe Hwy	Midway	GA	31320	912-230-1359
Shamrock Ventures, LLC	252	128 W Brazell St	Reidsville	GA	30453	478-275-2255
Casper's Kitchen LLC	060	84 West May Street	Winder	GA	30680	770-867-8451
Wren's Unlimited, Inc	195	704 N Main Street	Wrens	GA	30833	706-825-9669
M & C Management LLC	644	1511 Highway 278 East	Amory	MS	38821	662-832-1422

Former Franchisee Name	Unit #	Address	City	State	Zip Code	Phone Number
M & C Management LLC	653	107 Stone Creek Blvd	Tupelo	MS	38804	662-832-1422
ANHHNJ, Inc	855 1	212 Springfield Ave	Newark	NJ	07103	201-264-2841
Shamrock Alliance, LLC	608 1	1660 Pamida Drive	Livingston	TN	38570	270-933-8175
Lonesome Pine Dining, Inc	543	986 E Main Street	Abingdon	VA	24210	276-523-7554

Former Franchisees of Units that HHI Reacquired

Former Franchisee Name	Unit #	Address	City	State	Zip Code	Phone Number
Shamrock Ventures, LLC	161	1612 S Peterson Ave	Douglas	GA	31535	478-275-2255
Shamrock Ventures, LLC	472	1701 Ocilla Highway	Douglas	GA	31533	478-275-2255
Shamrock Ventures, LLC	696	1100-D Hillcrest Parkway	Dublin	GA	31021	478-275-2255
Watson Fine Foods, Inc	130	306 U S Hwy 1 By-Pass	Louisville	GA	30434	478-377-0456
Shamrock Ventures, LLC	097	US One 438 South Main St	Swainsboro	GA	30401	478-275-2255
Shamrock Ventures, LLC	193	401 W Ogeechee St	Sylvania	GA	30467	478-275-2255
Shamrock Ventures, LLC	115	323 South Liberty Street	Waynesboro	GA	30830	478-275-2255

Former Franchisees Transferred Franchised Unit

Former Franchisee Name	Unit #	Address	City	State	Zip Code	Phone Number
Ghazi Corporation	401 1	1503 West Fourth Street	Adel	GA	31620	347-654-1279
Impact Hospitality Gray, LLC	282 1	192 West Clinton St	Gray	GA	31032	678-702-1190
Navatan 108, Inc	857	2201 Georgia Highway 57	Townsend	GA	31331	912-617-0215
SDS Stores, Inc	782	9810 Perrin Road	Mascoutah	IL	62258	618-523-7019
GPG Enterprises, Inc	476 1	2600 US Highway 117 S	Goldsboro	NC	27530	336-504-2275
Dhanani & Sons Investment Group, Inc	773	2819 Interstate 30 West	Caddo Mills	TX	75135	281-924-5654
Southwest Griddle LLC	930	6616 Milwaukee	Lubbock	TX	79424	806-441-8200

EXHIBIT E

FINANCIAL STATEMENTS

HUDDLE HOUSE, INC.

Successor Financial Statements as of April 30, 2019 and May 1, 2018 and for the Year Ended April 30, 2019 and for the Period from February 1, 2018 to May 1, 2018 and Predecessor Financial Statements for the Period from April 30, 2017 to January 31, 2018 and for the Year Ended April 29, 2017

HUDDLE HOUSE, INC.

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Frazier
&Deeter

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Atlanta Georgia 30309
404 253 7500
www.frazierdeeter.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Huddle House, Inc
Atlanta, Georgia

We have audited the accompanying successor financial statements of Huddle House, Inc , which comprise the balance sheets as of April 30, 2019 and May 1, 2018, and the related statements of operations, stockholder's equity and cash flows for the year ended April 30, 2019 and the period from February 1, 2018 to May 1, 2018 We have also audited the accompanying predecessor statements of operations, stockholders' equity, and cash flows for the period from April 30, 2017 to January 31, 2018 and for the year ended April 29, 2017

Management's Responsibility 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, this includes 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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Successor as of April 30, 2019 and May 1, 2018 and the related statements of operations, stockholder's equity and cash flows for the year ended April 30, 2019 and for the period from February 1, 2018 to May 1, 2018 and the financial position of the Predecessor for the period from April 30, 2017 to January 31, 2018 and the year ended April 29, 2017 are in accordance with accounting principles generally accepted in the United States of America

Emphasis of a Matter

The acquisition of Huddle House Holdings, Inc and Subsidiary and the related effects of purchase accounting discussed in Note 1 resulted in changes to the capital structure and carrying values of assets and liabilities of the Predecessor The effects of such changes impair the comparability of financial position and results of operations of the Successor to the Predecessor

As discussed in Note 1 to the financial statements, the Company has retrospectively adjusted the assets acquired and liabilities assumed as part of the acquisition of Huddle House Holdings, Inc and Subsidiary on January 31, 2018 based on a valuation performed during the year ended April 30, 2019 In addition, the Company retrospectively recognized the effects on the statements of operations, stockholder's equity, and cash flows for the period from February 1, 2018 to May 1, 2018 resulting from the retrospective adjustment of the assets and liabilities Our opinion is not modified with respect to this matter

Frazier & Deeter, LLC

August 2, 2019

HUDDLE HOUSE, INC

Balance Sheets
(In Thousands, Except Share Data)

Assets

	April 30, 2019	May 1, 2018 (Restated)
Current Assets		
Cash	$ 5,548	$ 2,743
Accounts receivable		
Franchises, net of allowance for doubtful accounts of $227 and $319, respectively	4,439	4,316
Other	621	605
Inventories	3,877	3,086
Prepaid expenses and other current assets	892	627
Prepaid income tax	788	196
Total current assets	16,165	11,573
Land, property, and equipment - net of accumulated depreciation of $2,712 and $489, respectively	22,247	20,083
Other assets		
Goodwill - net of accumulated amortization of $6,527 and $1,294, respectively	45,803	50,474
Intangible assets - net of accumulated amortization of $6,208 and $1,241, respectively	57,592	62,559
Other	2,412	2,489
Total other assets	105,807	115,522
Total Assets	$ 144,219	$ 147,178

See notes to financial statements

HUDDLE HOUSE, INC.

Balance Sheets - Continued
(In Thousands, Except Share Data)

Liabilities and Stockholder's Equity

	April 30, 2019	May 1, 2018 (Restated)
Current Liabilities		
Accounts payable	$ 3,732	$ 3,103
Accrued expenses	3,457	3,960
Franchisee deposits	3,441	3,325
Deferred revenue, current	50	50
Current portion of sale-lease back liability	86	-
Current portion of long-term debt and capital lease obligations	4,041	4,039
Total current liabilities	14,807	14,477
Long-term debt and capital lease obligations, less current portion, net of unamortized deferred financing costs of $1,543 and $1,955, respectively	70,168	72,798
Sale-lease back liability, less current portion	2,636	-
Other long-term liabilities	1,238	564
Deferred revenue, net of current portion	81	141
Deferred income taxes, net	16,264	18,090
Total liabilities	105,194	106,070
Commitments and contingencies		
Stockholder's Equity		
Common stock, $1 00 par value - 100 shares authorized, issued and outstanding	-	-
Additional paid-in capital	44,632	44,415
Accumulated deficit	(5,607)	(3,307)
Total stockholder's equity	39,025	41,108
Total Liabilities and Stockholder's Equity	$ 144,219	$ 147,178

See notes to financial statements

HUDDLE HOUSE, INC.

Statements of Operations

For the Year ended April 30, 2019, for the Periods from February 1, 2018 to May 1, 2018 (Successor), and from April 30, 2017 to January 31, 2018 and for the Year ended April 29, 2017 (Predecessor)
(In Thousands)

	Successor		Predecessor	
	April 30, 2019	*February 1, 2018 to May 1, 2018 (Restated)*	*April 30, 2017 to January 31, 2018*	*April 29, 2017*
Revenues	$ 106,234	$ 26,689	$ 77,685	$ 94,323
Cost and expenses				
Cost of food, supplies, rental, and equipment sales	54,461	14,258	41,391	52,060
Selling, general, and administrative expenses	34,505	8,299	23,481	27,759
(Gain) loss on disposal of land, property, and equipment	(137)	-	117	109
Depreciation and amortization	12,423	3,024	6,135	7,958
Transaction expense	-	2,486	8,081	-
Total cost and expenses	101,252	28,067	79,205	87,886
Operating income (loss)	4,982	(1,378)	(1,520)	6,437
Other income (expense)				
Interest income	14	10	33	-
Interest expense	(6,543)	(1,324)	(2,411)	(2,772)
(Loss) income before provision for income taxes	(1,547)	(2,692)	(3,898)	3,665
Provision for income taxes	(726)	(615)	6,705	(2,431)
Net (loss) income	$ (2,273)	$ (3,307)	$ 2,807	$ 1,234

See notes to financial statements

HUDDLE HOUSE, INC.

Statements of Stockholder's Equity

For the Year ended April 30, 2019, for the Periods from February 1, 2018 to May 1, 2018 (Successor), and from April 30, 2017 to January 31, 2018 and for the Year ended April 29, 2017 (Predecessor)
(In Thousands, Except Share Data)

	Outstanding Stock (All Classes)		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount			
Predecessor					
Balance, April 30 2016	100	$ -	$ 13,575	$ (10 192)	$ 3,383
Distributions to stockholder	-	-	-	(7,506)	(7 506)
Net income - for the year ended April 29, 2017	-	-	-	1,234	1,234
Balance, April 29, 2017	100	-	13 575	(16,464)	(2 889)
Distributions to stockholder	-	-	-	(4,200)	(4 200)
Net income - for the period from April 30 2017 to January 31 2018	-	-	-	2,807	2,807
Balance, January 31, 2018	100	$ -	$ 13,575	$ (17,857)	$ (2,889)
Successor					
Initial capital contributions - February 1, 2018	100	$ -	$ 44,349	$ -	$ 44,349
Stock option expense	-	-	66	-	66
Net loss - for the period from February 1 2018 to May 1 2018	-	-	-	(3,307)	(3,307)
Balance May 1 2018 (Restated)	100	-	44,415	(3,307)	41,108
Distribution to Parent	-	-	-	(27)	(27)
Stock option stock	-	-	217	-	217
Net loss - for the year ended April 30 2019	-	-	-	(2,273)	(2,273)
Balance, April 30, 2019	100	$ -	$ 44,632	$ (5,607)	$ 39,025

See notes to financial statements

HUDDLE HOUSE, INC.

Statements of Cash Flows

For the Year ended April 30, 2019, for the Periods from February 1, 2018 to May 1, 2018 (Successor), and from April 30, 2017 to January 31, 2018 and for the Year ended April 29, 2017 (Predecessor)
(In Thousands)

	Successor		Predecessor	
Increase (Decrease) in Cash	*April 30, 2019*	*February 1 2018 to May 1 2018 (Restated)*	*April 30 2017 to January 31, 2018*	*April 29, 2017*
Cash flows from operating activities.				
Net (loss) income	$ (2 273)	$ (3 307)	$ 2 807	$ 1 234
Adjustments to reconcile net (loss) income to net cash provided by operating activities				
Depreciation and amortization	12 423	3 024	6 135	7 958
Amortization of deferred loan costs	412	103	128	168
Provision for bad debts	16	4	15	216
Deferred income taxes	(1 826)	408	(6 475)	(1 480)
(Gain) loss on sale of land property and equipment	(137)		117	109
Amortization of above/below market leases	102	40	32	47
Stock option compensation	217	66		
Changes in assets and liabilities net of assets acquired				
Accounts receivable	(155)	(1 050)	1 034	(966)
Inventories	(791)	81	(96)	(382)
Prepaid expenses and other current assets	(265)	48	(372)	13
Prepaid income tax	(592)	20	(2 859)	19
Other assets	569	(434)	(115)	104
Accounts payable	628	32	8 004	(126)
Income taxes payable				310
Accrued expenses	(503)	1 225	(685)	305
Franchisee deposits	116	149	139	352
Deferred revenue	(60)	(14)	(43)	169
Other long term liabilities	80	533	(12)	96
Net cash provided by operating activities	7,961	928	7,754	8,146
Cash flows from investing activities.				
Capital expenditures	(5 037)	(411)	(2 427)	(2 990)
Proceeds from the sale of land property and equipment	788		200	360
Additional consideration paid	(562)			
Purchase of HHHI stock net of cash acquired of $1 201		(116,669)		
Net cash used in investing activities	(4,811)	(117,080)	(2,227)	(2,630)
Cash flows from financing activities				
Initial capital contributions		42 269		
Proceeds from senior debt borrowing		80 500		
Repayment of senior debt borrowing	(3 000)	(1 810)		
Preferred dividends paid and return of capital			(4 200)	(7 500)
Proceeds from Predecessor senior debt borrowing				7 500
Repayment of Predecessor senior debt borrowing			(5 293)	(4 459)
Distribution to Parent	(27)			(6)
Deferred loan costs incurred		(2 058)		(234)
Principal payments of other long term debt and capital lease obligations	(40)	(6)	(23)	(41)
Proceeds from sale of sale leaseback properties	2 727			
Repayment of sale-leaseback liability	(5)			
Net cash (used in) provided by financing activities	(345)	118,895	(9,516)	(4,740)
Net increase (decrease) in cash	2 805	2 743	(3 989)	776
Cash, beginning of period	2,743		5,190	4,414
Cash end of period	$ 5 548	$ 2,743	$ 1 201	$ 5 190
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	$ 4 971	$ 1 560	$ 2 262	$ 2,567
Income taxes	$	$	$	$ 3,329

Supplemental Disclosure of Noncash Investing and Financing Transactions

During the period from April 30 2017 to January 31 2018 the Predecessor entered into a new capital lease for office equipment totaling approximately $120 000

During the period from February 1 2018 to May 1 2018 rollover equity from management of $2 080 000 was used to form PHI

See notes to financial statements

Note 1 - Description of business and summary of significant accounting policies

Huddle House, Inc (the Company or HHI), operates and licenses to others the right to develop and operate 24-hour, full-service convenience restaurants under the Huddle House name In addition, HHI sells food, supplies, parts, and equipment to Huddle House system restaurants HHI also leases restaurant facilities and equipment to franchisees of Huddle House system Unaudited system sales, including franchise locations and Company-owned locations, aggregated approximately $243,590,000, $245,552,000, and $238,721,000 for the fiscal years ending April 30, 2019 (Fiscal 2019), May 1, 2018 (Fiscal 2018), and April 29, 2017 (Fiscal 2017), respectively There are 42 and 36 Company-owned stores as of April 30, 2019 and May 1, 2018, respectively There are 300 and 315 franchise stores as of April 30, 2019 and May 1, 2018, respectively

Peachtree Holdco Inc was formed on December 20, 2017, by Elysium Capital Management, LLC (Elysium) and various other minority shareholders Upon completion of a series of related transactions on January 31, 2018 (Closing Date), PHI acquired 100% of the outstanding stock of Huddle House Holdings, Inc (HHHI), the parent of HHI

The transactions that resulted in the acquisition of HHHI are summarized as follows

- PHI was formed with equity capital of approximately $41,904,000 and rollover equity from management of $2,080,000 Peachtree Holdco Inc borrowed $80,500,000 from financial institutions in order to fund the acquisition

- PHI utilized its contributed capital together with amounts borrowed from financial institutions and cash acquired to make cash payments consisting of (i) amounts paid for predecessor stockholder expenses of $5,349,000, (ii) $55,508,000 paid to retire the senior debt owed by HHHI, (iii) $5,300,000 deposited into escrow to be used to repay costs, expenses, or liabilities incurred (iv) transaction costs for the seller of $2,592,000, (v) transaction costs for the buyer of $4,542,000, and (vi) payments for acquisition of stock and management incentives of HHHI of $49,113,000 All transaction costs were expensed in the period incurred

Due to the change of control of HHI, HHI has elected to apply pushdown accounting related to this acquisition and has accounted for the purchase price allocation in these financial statements These financial statements are presented for the periods HHI was owned by PHI (referred to as the Successor) and HHHI (referred to as the Predecessor)

Note 1 - Description of business and summary of significant accounting policies - continued

The acquisition was accounted for under the purchase method of accounting as prescribed by the Financial Accounting Standards Board (FASB) Codification (Codification) As of May 1, 2018, a valuation of the assets and liabilities included in the purchase price had not yet been formally completed, so the values as of January 31, 2018 have been retrospectively adjusted based on the valuation finalized during Fiscal 2019

The following table represents the preliminary allocation of the fair values of assets and liabilities assumed as of the Closing Date (as previously reported) and the allocation of the fair values of the assets and liabilities assumed as of the Closing Date following the completion of the valuation during Fiscal 2019 (as restated)

	As Previously Reported	As Restated	Change
Current assets	$ 11,468	$ 9,134	$ (2,334)
Land, property, and equipment	14,255	20,161	5,906
Goodwill	111,523	51,768	(59,755)
Intangible assets	-	63,800	63,800
Other	841	2,176	1,335
	138,087	147,039	8,952
Current liabilities	9,187	9,187	-
Other long-term liabilities	730	221	(509)
Deferred taxes	8,220	17,681	9,461
	18,137	27,089	8,952
Net assets acquired	$ 119,950	$ 119,950	$ -

As a result of restating the allocations of the fair values of the assets and liabilities assumed as of the Closing Date detailed above, the operations of the Company for the period from February 1, 2018 to May 1, 2018 were adjusted as follows

- Depreciation expense increased $130,000 from $359,000 (as previously reported) to $489,000 (as restated), and

- Amortization expense decreased $466,000 from $3,001,000 (as previously reported) to $2,535,000 (as restated)

Note 1 - Description of business and summary of significant accounting policies - continued

The methodology used in allocating the total consideration to the acquired assets and liabilities assumed is a) the book value of current assets and accrued liabilities and deferred taxes were determined to approximate their value due to their short term nature, b) accounts receivable (portion of current assets) were recorded at their estimated fair values based on expected collectability, c) the fair value of property and equipment were valued by a third-party under a highest and best use premise of value using the Cost and Market Method, d) franchise agreements were valued by a third-party using the Multi-Period Excess Earning Method, e) trade names were assessed using the Relief from Royalty Method, f) other assets and long-term liabilities were valued by a third-party using the Market Method, g) the remaining excess purchase price paid over the net assets acquired was recorded as goodwill The goodwill is not expected to be deductible for income tax purposes

During the year ended April 30, 2019, PHI paid additional consideration of approximately $562,000 which was recorded as additional goodwill

As a result of the reallocation of the fair values of the assets and liabilities assumed as of the Closing Date as discussed above, the balance sheet as of May 1, 2018 was restated as follows

	As Previously Reported	As Restated	Change
Prepaid income tax	$ 2,530	$ 196	$ (2,334)
Land, property, and equipment	$ 14,350	$ 20,083	$ 5,733
Goodwill	$ 108,479	$ 50,474	$ (58,005)
Intangible assets	$ -	$ 62,559	$ 62,559
Other	$ 1,154	$ 2,489	$ 1,335
Other long-term liabilities	$ 1,074	$ 564	$ (510)
Deferred taxes	$ 8,628	$ 18,090	$ 9,462
Accumulated deficit	$ (3,643)	$ (3,307)	$ 336

Note 1 - Description of business and summary of significant accounting policies - continued

As a result of the reallocation of the fair values of the assets and liabilities assumed as of the Closing Date as discussed above, the statement of operations for the period from February 1, 2018 to May 1, 2018, was restated as follows

	As Previously Reported	As Restated	Change
Selling, general, and administrative expenses	$ 8,177	$ 8,299	$ 122
Depreciation and amortization	$ 3,360	$ 3,024	$ (336)
Operating loss	$ (1,592)	$ (1,378)	$ 214
Interest expense	$ 1,446	$ 1,324	$ (122)
Loss before provision for income taxes	$ (3,028)	$ (2,692)	$ 336
Net loss	$ (3,643)	$ (3,307)	$ 336

Basis of presentation

The Company has adopted the Financial Accounting Standards Board Codification, which is the single official source of authoritative accounting principles generally accepted in the United States of America (U S GAAP) recognized by the FASB to be applied by nongovernmental entities All of the Codification's content carries the same level of authority

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U S GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Operating cycle

For Fiscal 2018 and going forward, the Company's fiscal year is the 52- or 53-week period ending the Tuesday nearest to the final day of April For Fiscal 2017, the Company's fiscal year was the 52- or 53-week period ending the Saturday nearest to April 30 The year ended April 29, 2017 included 52 weeks The year ended May 1, 2018, included 52 weeks and 3 days split between the respective Successor and Predecessor periods The year ended April 30, 2019, included 52 weeks

Note 1 - Description of business and summary of significant accounting policies - continued

Receivables and credit policies

Accounts receivables are uncollateralized franchisee obligations due under normal trade terms requiring payment within 15 days from the invoice date Franchisee account balances not paid within payment terms are considered delinquent and may include interest

The Company carries accounts receivable at amounts deemed to be collectible by management The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected Accounts are written off when the account is determined to be uncollectible Recoveries are recognized in the period they are received The ultimate collectibility of the accounts receivable may differ from that estimated by management At April 30, 2019 and May 1, 2018, the Company has recorded an allowance for doubtful accounts of $227,000 and $319,000, respectively

The Company periodically offers loans to individual franchisees These notes accrue interest with an average effective rate of 8 8%, and are due on various dates through December 2027 Amounts due to the Company under notes at April 30, 2019 and May 1, 2018, totaled $154,000 and $369,000, respectively, and are included in other accounts receivable and other assets in the accompanying balance sheets

Inventories

Inventories are valued at the lower of cost or market, with cost determined by applying the first-in, first-out valuation method

Land, property, and equipment

Land, property, and equipment are recorded at cost Depreciation of property and equipment are provided using the straight-line method over the following estimated useful lives

Buildings and leasehold improvements	Shorter of 5 - 30 years or life of lease
Equipment and vehicles	3 - 8 years

Property under capital leases are stated at the lower of the present value of minimum lease payments at the beginning of the lease term or fair value of the leased property at the inception of the lease Property and equipment held under capital leases and leasehold improvements are amortized using the shorter of the lease term or estimated useful life of the asset

Note 1 - Description of business and summary of significant accounting policies - continued

Land, property, and equipment - continued

Expenditures for maintenance and repairs are charged to expense as incurred Additions and betterments are capitalized The cost of properties sold or otherwise disposed of, and the accumulated depreciation thereon is eliminated from the property and reserve accounts, and gains and losses are reflected in the statements of operations

The Company reviews annually, or more frequently if circumstances require, the lives and depreciation methods assigned to long lived assets, such as property and equipment The Company reviews long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable (based on estimates of future undiscounted cash flows) In the event of impairment, the asset is written down to its fair value No impairments were recognized for the year ended April 30, 2019, the periods from February 1, 2018 to May 1, 2018 and from April 30, 2017 to January 31, 2018, and for the year ended April 29, 2017

Goodwill and intangible assets

Goodwill represents the excess of purchase price over the fair value of net assets acquired As a result of the acquisition discussed in Note 1, the Company adopted ASU No 2014-02, "Intangibles-Goodwill and Other (Topic 350) Accounting for Goodwill," which provides for an alternative to non-public companies for accounting for goodwill Under this alternative, the Company amortizes goodwill on a straight-line basis over 10 years The Company will test goodwill when a triggering event occurs that indicates that the fair value of the Company may be below its carrying amount When a triggering event occurs, an entity has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the entity must perform the quantitative test to compare the entity's fair value to its carrying amount, including goodwill, with an impairment loss, if any, representing the excess of the Company's carrying amount to its fair value (limited to the carrying amount of goodwill of the Company)

Intangible assets principally include trade names and franchise agreements Intangible assets of the Successor have been recorded at their estimated fair value based upon the valuation performed in Fiscal 2019 Trade names are considered to have an indefinite life and are not subject to amortization The franchise agreements are being amortized based upon estimated underlying cash flows, which approximates the straight-line method over the average remaining life of the franchise agreements of nine years If impairment is indicated, the

Note 1 - Description of business and summary of significant accounting policies - continued

Goodwill and Intangible assets - continued

Company assesses recoverability of amortizable intangibles from future operations using undiscounted cash flows derived from the lowest appropriate asset groupings Impairments, if indicated, are recognized in operating results to the extent that the carrying value exceeds fair value, which is generally determined based on the net present value of estimated future cash flows or market data for comparable companies

The Company reviews goodwill and indefinite lived intangibles annually for impairment during its fourth fiscal quarter The impairment reviews performed during the fourth quarter of Fiscal 2019 and 2018 did not result in an impairment charge

Revenue recognition

Revenues from food, supplies, and equipment sales are recorded upon delivery to franchisees Initial franchise fees from the sale of franchises and renewal fees for franchises are recognized as revenue when the related units begin operation or renew their term, which total $820,000, $252,000, $686,000, and $785,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively Revenue recognized from company operated restaurant sales total $26,897,000, $6,195,000, $16,569,000, and $16,811,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively Royalties and termination fees are recognized as revenue when they are earned pursuant to the franchise agreement Rent revenue is recognized on a straight-line basis based on the total payments required under the lease

Vendor discounts

The Company has certain agreements with vendors that generally provide discounts to the Company on purchases Such discounts are accrued when related purchases are received and are classified as a reduction of product cost

Advertising

The Company expenses all advertising costs as incurred Advertising costs were $424,000, $91,000, $292,000, and $380,000 for the year ended April 30, 2019, the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively

Note 1 - Description of business and summary of significant accounting policies - continued

Advertising - continued

The Company owned and franchised restaurants are required to join an advertising cooperative, Huddle House Marketing Fund, Inc (HH Marketing Fund) Each member restaurant contributes a percentage of sales to the HH Marketing Fund for market-wide programs, such as television, radio, and digital and print advertising The rate of the contribution and uses of the monies collected are determined by management

Income taxes

The Company has elected to be treated as a C-Corporation for income tax purposes As a result, income taxes are accounted for under the asset and liability method Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date Management provides a valuation allowance for any net deferred tax assets when it is more likely than not that a portion of such net deferred tax assets will not be recovered

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position All federal and state income tax positions taken or anticipated to be taken in the income tax returns are attributable to the entity As of April 30, 2019, there are no known items which would result in a material accrual related to where the Company has federal or state attributable tax positions

In November 2015, the FASB issued ASU No 2015-17, "Income Taxes (Topic 740) Balance Sheet Classification of Deferred Taxes," which eliminates the guidance in Topic 740, Income Taxes, that required an entity to separate deferred tax liabilities and assets between current and noncurrent amounts in a classified balance sheet The amendments require that all deferred tax liabilities and assets of the same tax jurisdiction or a tax filing group, as well as any related valuation allowance, be offset and presented as a single noncurrent amount in a classified balance sheet The amendments are effective for annual fiscal years beginning after December 15, 2017 The Company adopted the standard on May 2, 2018 and has reclassified amounts on the balance sheet accordingly Adoption of this standard had no impact on the statements of income

Note 1 - Description of business and summary of significant accounting policies - continued

Interest rate swap agreements

The Successor entered into an interest rate swap agreement to manage floating interest rate exposure with respect to amounts borrowed, or forecasted to be borrowed, under credit facilities The interest rate swap agreement is recognized at fair value which was determined to be approximately a $630,000 liability as of April 30, 2019 and a $122,000 asset as of May 1, 2018 These amounts are included in other long-term liabilities as of April 30, 2019 and in other assets as of May 1, 2018 on the balance sheets Changes in fair value are recognized in earnings, as the interest rate swap agreement does not qualify for hedge accounting During the year ended April 30, 2019, the Successor recorded a loss of $752,468 related to the interest rate swap For the period from February 1, 2018 to May 1, 2018, the Successor recorded a gain of $122,114 related to the interest rate swap agreement The losses and gains are included in interest expense on the statements of operations During the year ended April 30, 2019 and for the period from February 1, 2018 to May 1, 2018, there were no cash flows related to the interest rate swap agreement When they occur, cash flows from the interest rate swap agreement are recorded in interest expense on the statements of operations and in cash paid for interest on the statements of cash flows (See Note 5)

Fair value of financial instruments

The Company utilizes a valuation technique to measure the fair value of assets and liabilities by using a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price) Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3) The three levels of the fair value hierarchy are described below

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities,

- Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly,

- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

Note 1 - Description of business and summary of significant accounting policies - continued

Fair value hierarchy - continued

The Successor applied the provisions of this valuation technique in recording its interest rate swap agreement measured at fair value on a recurring basis as of April 30, 2019 and May 1, 2018 (See Note 5) The valuation of the interest rate swap agreement was determined using widely accepted valuation techniques including discounted cash flow analyses on the expected cash flows of the derivatives These analyses reflect the contractual terms of the derivatives, including the periods to maturity, and uses observable market-based inputs, including interest rate curves, implied volatilities, and creditworthiness of the counterparties, which is a Level 2 measurement valuation technique

Deferred loan costs

During the period from February 1, 2018 to May 1, 2018, the Company incurred deferred financing costs of $2,057,795 in connection with obtaining new debt These costs are being capitalized and amortized using the straight-line method over the term of the related debt The Company amortized $411,559, $102,890, $128,146, and $168,192 of deferred financing costs for the year ended April 30, 2019, the period from February 1, 2018 to May 1, 2018, the period from April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively As of April 30, 2019 and May 1, 2018, the Company had deferred financing costs totaling $2,057,795 and accumulated amortization of $514,449 and $102,890, respectively

Stock-based compensation

The Company recognized compensation expense in an amount equal to the calculated fair value of the award on the grant date on a straight line basis over the vesting period of the stock options Upon exercise of stock options, the Company would issue new shares of common stock

The fair values of the Company's stock options existing during the following periods were estimated using the Black Scholes option pricing model using the following assumptions

	Successor		Predecessor	
	April 30, 2019	*May 1, 2018*	*January 31, 2018*	*April 29, 2017*
Volatility	50 00%	50 00%	50 00%	50 00%
Dividend yield	-	-	-	-
Risk-free interest rate	2 90%	2 63%	1 93%	1 93%
Expected life (years)	5 0	5 0	5 0	5 0

Note 1 - Description of business and summary of significant accounting policies - continued

Stock-based compensation - continued

The Company estimated volatility based upon the historical volatility of several similar companies in the Company's industry Based on the capital structure of the Company, the Company did not intend to declare cash dividends on its stock in the foreseeable future as any excess cash flow would have been used to reduce debt The risk-free interest rate was based on U S Treasury yields in effect for the expected term of the stock options The expected term was determined using the "simplified" method, based upon the average of the vesting period and contract term

All of the Predecessor's stock options were vested and exercised upon acquisition at the Closing Date

Subsequent events

The Company has evaluated subsequent events through August 2, 2019, which is the date these financial statements were available to be issued All subsequent events, if any, requiring recognition as of April 30, 2019, have been incorporated into these financial statements

Note 2 - New accounting pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09) In August 2015, the FASB amended the guidance to defer the effective date of this standard by one year ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services The Company is currently evaluating the requirements of the new standard to ensure that it has the processes, systems, and internal controls in place to collect the necessary information to implement the standard The standard was effective for the Company on May 1, 2019

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) Amendments to the FASB Accounting Standards Codification (Update 2016-02), which requires an entity to recognize lease assets and lease liabilities on the balance sheet and to disclose key qualitative and quantitative information about the entity's leasing arrangements This update is effective for annual reporting periods beginning after December 15, 2019, with early adoption

Note 2 - New accounting pronouncements - continued

permitted A modified retrospective approach is required Upon adoption of this new standard, the Company will recognize significant right of use assets and lease obligation liabilities on the balance sheets as a result of its operating lease obligations Operating lease expense will still be recognized on a straight-line basis over the remaining life of the lease within cost of sales and selling, general, and administrative expenses in the statements of income The Company is currently evaluating the effect that ASU 2016-02 will have on the financial statements and related disclosures

Note 3 - Goodwill and intangible assets

Intangible assets including goodwill, as restated as of April 30, 2019 and May 1, 2018 are as follows (in thousands)

	2019				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Value	Weighted-Average Amortization Period
Goodwill	$ 52,330	$ 6,527	$ -	$ 45,803	10 years
Franchise agreements	44,700	6,208	-	38,492	9 years
Trade names	19,100	-	-	19,100	Indefinite
Balance, April 30, 2019	$ 116,130	$ 12,735	$ -	$ 103,395	
	2018 (Restated)				
Goodwill	$ 51,768	$ 1,294	$ -	$ 50,474	10 years
Franchise agreements	44,700	1,241	-	43,459	9 years
Trade names	19,100	-	-	19,100	Indefinite
Balance, May 1, 2018	$ 115,568	$ 2,535	$ -	$ 113,033	

The annual goodwill and indefinite-lived intangible impairment test performed in Fiscal 2019 and 2018 did not result in an impairment change

Note 3 - Goodwill and intangible assets - continued

Aggregate amortization expense for amortizing intangible assets and goodwill for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period from April 30, 2017 to January 31, 2018, and for the year ended April 29, 2017 was $10,200,000, $2,535,000, $5,071,000, and $6,656,000, respectively

Future expected amortization expense for amortizing intangible assets and goodwill are as follows at April 30, 2019 (in thousands)

Fiscal Year		
2020	$	10,200
2021		10,200
2022		10,200
2023		10,200
2024		10,200
Thereafter		33,295
	$	84,295

Note 4 - Land, property, and equipment

Land, property, and equipment as of April 30, 2019 and May 1, 2018 is comprised of the following (in thousands)

		2019		2018 (Restated)
Land	$	3,297	$	3,170
Buildings and leasehold improvements		8,668		7,653
Equipment and vehicles		12,994		9,748
		24,959		20,571
Less Accumulated depreciation and amortization		(2,712)		(489)
Net land, property, and equipment	$	22,247	$	20,082

Depreciation expense totaled $2,223,000, $489,000, $1,065,000, and $1,302,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively

Note 4 - Land, property, and equipment - continued

Included in land, property, and equipment at April 30, 2019 and May 1, 2018, are capitalized leased assets with a cost of $573,000 and $466,000 and accumulated depreciation of $362,000 and $22,000, respectively

Included in land, property, and equipment at April 30, 2019 and May 1, 2018 are assets leased to lessees by the Company with total net book value of $4,039,000 and $4,243,000, respectively

Note 5 - Long-term debt

Long-term debt and capital lease obligations as of April 30, 2019 and May 1, 2018, consist of the following (in thousands)

	2019	2018
Capital lease obligations (interest imputed at rates from 5 5% - 13 1%)	$ 62	$ 102
Senior Secured Term Loan, matures January 31, 2023, repayable in quarterly installments of principal, interest at formula rates based on LIBOR or a defined base rate plus an applicable margin that is calculated quarterly and payable monthly, as defined in the agreement (effective interest rate of 6 8% and 6 4% at April 30, 2019 and May 1, 2018, respectively)	75,690	78,690
Total	75,752	78,792
Less current portion	(4,041)	(4,039)
Less deferred finance costs	(1,543)	(1,955)
Long-term portion	$ 70,168	$ 72,798

In conjunction with the formation of PHI on January 31, 2018 (see Note 1), the Company borrowed a total of $80,500,000 under three long-term loan agreements The agreement provided a Senior Secured Term Loan in the amount of $80,000,000, a revolving credit facility that provided for maximum borrowings of $5,000,000, and a development facility that provides for maximum borrowings of $15,000,000 All facilities expire on January 31, 2023 and bear interest at LIBOR or the Base Rate plus the applicable margin at the time of the borrowing Borrowings under all facilities were collateralized by substantially all assets of the Company

Note 5 - Long-term debt - continued

Future maturities of long-term debt are as follows at April 30, 2019 (in thousands)

Fiscal Year		
2020	$	4,041
2021		4,021
2022		6,000
2023		6,000
2024		55,690
	$	75,752

As of April 30, 2019 and May 1, 2018, there were no amounts outstanding under the revolving credit facilities

In March 2018, the Successor entered into an interest rate swap agreement with Regions Bank The interest rate swap limits to a fixed annual interest rate (2 675%) on a notional amount of $39,500,000 and $38,000,000 as of April 30, 2019 and May 1, 2018, respectively The interest rate swap agreement expires January 31, 2023

Accrued interest at April 30, 2019 and May 1, 2018 was $425,000 and $16,000, respectively, and is included in "Accrued expenses" in the accompanying balance sheets

Interest expense consists of the following (in thousands)

	Successor		Predecessor	
	Year Ended April 30, 2019	*February 1, 2018 to May 1, 2018*	*April 30, 2017 to January 1, 2018*	*Year Ended April 29, 2017*
Interest on loans and capital leases	$ 5,379	$ 1,343	$ 2,283	$ 2,604
Loss (gain) on interest rate swap	752	(122)	-	-
Amortization and write-off of deferred loan costs	412	103	128	168
	$ 6,543	$ 1,324	$ 2,411	$ 2,772

Note 6 - Sale lease-back transaction

During the year ended April 30, 2019 the Company entered into sale-leaseback transactions with third parties Management has determined that the transactions do not qualify for sales leaseback accounting under "Leases (Topic 840-40) Leases Sale-Leaseback Transactions" and therefore is accounting for this transactions under the finance method The leases call for monthly payments ranging from $3,792 to $5,260 with escalation clauses of 7 5% every fifth anniversary of the lease Future minimum lease payment related to the sale-leaseback transactions at April 30, 2019, are as follows

Year Ending April 30, 2019,		
2020	$	161
2021		161
2022		161
2023		161
2024		161
Thereafter		2,996
Total minimum lease payments		3,801
Less Amount representing interest		(1,079)
Present value of net minimum lease payments		2,722
Less Current portion		(86)
Long-term portion	$	2,636

Note 7 - Employee benefit plan

The Company has a defined contribution 401(k) profit sharing plan covering substantially all of its employees Employees may elect to make tax deferred savings contributions to the plan Employer contributions to the plan are made at the discretion of the Company An employer contribution of $149,000, $39,000, $118,000, and $132,000 was made for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively

Note 8 - Stock option plan

The Predecessor had a nonqualified stock option plan (HHHI Stock Option Plan) for certain key company employees Under the HHHI Stock Option Plan, stock options granted could have been exercised for one share of the common stock of HHHI Options issued under the HHHI Stock Option Plan consisted of both time and performance options The time options vested 20% after one year and 1 667% per month thereafter The performance options vested as of the sale of HHHI or achievement of certain performance goals

The maximum number of shares of common stock with respect to which options could have been granted to participants under the HHHI Stock Option Plan was 78,444

The Successor has a nonqualified stock option plan (PHI Stock Option Plan) for certain key company employees Under the PHI Stock Option Plan, stock options granted can be exercised for one share of the common stock of PHI Options issued under the PHI Stock Option Plan consist of both time and performance options The time options vest 20% each year for five years The performance options vest as of the sale of PHI and achievement of certain performance goals

The maximum number of shares of common stock with respect to which options may be granted to participants under the PHI Stock Option Plan is 526

A summary of all options issued under the PHI Stock Option Plan are presented below

	PHI Stock Option Plan		HHHI Stock Option Plan	
	Common Stock Options Outstanding	Weighted-Average Exercise Price	Common Stock Options Outstanding	Weighted-Average Exercise Price
Options outstanding at April 29, 2017	-	$ -	29,469	$ 10
Forfeited	-	$ -	(400)	$ 10
Exercised	-	$ -	(29,069)	$ 10
Options outstanding at January 31, 2018	-	$ -	-	$ -
Granted	417	$ 20,905	-	$ -
Options outstanding at May 1, 2018	417	$ 20,905	-	$ -
Granted	5	$ 20,905	-	$ -
Forfeited	(12)	$ 20,905	-	$ -
Options outstanding at April 30, 2019	410	$ 20,905	-	$ -

Note 8 - Stock option plan - continued

The following table summarizes information concerning options outstanding under the PHI Stock Option Plan as of April 30, 2019 and May 1, 2018

2019

Common Stock Options Outstanding	Exercise Price	Weighted-Average Contractual Remaining Life (In Years)	Exercisable as of April 30, 2019
410	$ 20,905	8 81	132

2018

Common Stock Options Outstanding	Exercise Price	Weighted-Average Contractual Remaining Life (In Years)	Exercisable as of May 1, 2018
417	$ 20,905	9 80	-

The total compensation cost of the stock options related to nonvested awards not yet recognized was approximately $816,000 and $1,309,000 as of April 30, 2019 and May 1, 2018, respectively The weighted-average period over which this cost was expected to be recognized was 4 20 years and 4 76 years as of April 30, 2019 and May 1, 2018, respectively

The HHHI Stock Option Plan was terminated upon the acquisition of HHHI by Peachtree Holdco Inc on the Closing Date

The expense associated with the stock option plans have been included in the financial statements of HHI as all options were issued to employees of HHI

Note 9 - Income taxes

The provision for income taxes consisted of the following (in thousands)

	Successor		Predecessor	
	Year ended April 30, 2019	*February 1, 2018 to May 1, 2018*	*April 30, 2017 to January 1, 2018*	*Year Ended April 30, 2017*
Current				
Federal	$ 1,974	$ 184	$ -	$ 3,402
State	573	60	-	509
Total current	2,547	244	-	3,911
Deferred	(1,821)	371	(6,705)	(1,480)
Provision for income taxes	$ 726	$ 615	$ (6,705)	$ 2,431

The differences between the federal statutory tax rate and the Company's effective tax rate are as follows

	Successor		Predecessor	
	Year ended April 30, 2019	*February 1, 2018 to May 1, 2018*	*April 30, 2017 to January 1, 2018*	*Year Ended April 30, 2017*
Federal statutory rate	21 0 %	21 0 %	34 0 %	34 0 %
State taxes - net of federal benefit	(13 2)%	(2 4)%	(1 3)%	6 0 %
Permanent differences	(78 5)%	(32 5)%	23 1 %	31 7 %
Other	23 8 %	(6 3)%	(2 5)%	(5 4)%
Statutory rate change	- %	- %	118 8 %	- %
Effective tax rate	(46 9)%	(20 2)%	172 1 %	66 3 %

Note 9 - Income taxes - continued

The tax effects of temporary differences, as restated, that give rise to deferred tax assets and deferred tax liabilities as of April 30, 2019 and May 1, 2018, are as follows (in thousands)

	April 30, 2019	May 1, 2018 (Restated)
Noncurrent deferred tax assets		
Allowance for doubtful accounts	$ 56	$ 79
Accrued expenses	765	152
Other	312	206
Total long-term deferred tax assets	1,133	437
Long-term deferred tax liabilities		
Intangible assets	13,639	15,150
Property and equipment	3,294	2,982
Other	464	395
Total long-term deferred tax liabilities	17,397	18,527
Net deferred tax liabilities	$ 16,264	$ 18,090

Note 10 - Transactions with related parties

Management fees, director fees, and other expenses paid to certain stockholders are included in selling, general, and administrative expenses and aggregated approximately $38,000, $11,000, $450,000, and $461,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively

The Company leases office space and allocates direct administrative expense to HH Marketing Fund, an affiliate related through common management, for approximately $186,000, $44,000, $142,000, and $121,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively Additionally, the Company owned restaurants expensed and paid approximately $807,000, $180,000, $495,000, and $405,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively, to HH Marketing Fund for advertising costs All such amounts were recorded within "Selling, general, and administrative expenses" in the accompanying statements of operations

Note 10 - Transactions with related parties - continued

As of April 30, 2019, the Company had approximately $108,000 due from HH Marketing Fund, which is included in "Accounts receivable-other" in the accompanying balance sheets As of May 1, 2018, the Company owed approximately $286,000 to HH Marketing Fund, which is included in "Accrued expenses" in the accompanying balance sheets

Note 11 - Commitments and contingencies

Operating leases

Future minimum rental payments and related minimum sublease rentals required under long-term noncancelable operating leases relating to land, property, and equipment as of April 30, 2019 are as follows (in thousands)

	Operating Lease Commitments	Related Minimum Sublease Rentals	Net Commitments
Fiscal Year			
2020	$ 2,333	$ 274	$ 2,059
2021	1,999	186	1,813
2022	1,776	59	1,717
2023	1,542	15	1,527
2024	1,556	-	1,556
Thereafter	10,387	-	10,387
	$ 19,593	$ 534	$ 19,059

Rent expense for operating leases for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017 were $2,506,000, $639,000, $1,997,000, and $2,593,000, respectively Sublease rental revenue associated with operating leases for the year from April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period April 30, 2017 to January 31, 2018, and the year ended April 29, 2017 were $403,000, $147,000, $463,000, and $872,000, respectively, including $65,000, $20,000, $43,000, and $24,000 for the year ended April 30, 2019, for the period from February 1, 2018 to May 1, 2018, for the period from April 30, 2017 to January 31, 2018, and the year ended April 29, 2017, respectively, for rent based on sales volume

Note 11 - Commitments and contingencies - continued

Operating leases - continued

Total future minimum rents receivable, including sublease rentals, as of April 30, 2019, from land, property, and equipment leased to franchisees (or third parties), exclusive of contingent rentals on sales volume, were as follows (in thousands)

Fiscal Year		
2019	$	744
2020		626
2021		418
2022		395
2023		391
Thereafter		1,242
	$	3,816

Legal matters

The Company is involved in certain litigation and claims in the ordinary course of business In management's opinion, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations

EXHIBIT F

TABLE OF CONTENTS TO MANUAL

MANAGER IN TRAINING MANUAL
Table of Contents

Topic	Pages	Total Pages
Manager Orientation Guide		**21**
Introduction	1-8	8
Job Descriptions & Guidelines	9-14	6
Food Safety	15-21	7
MIT Training Guide		**108**
Introduction	1-9	9
Manager Training Outline	10-67	68
Manager Tools	68-108	41
Total Pages		**129**

COOK & SERVER TRAINING GUIDES
Table of Contents

Topic	Pages	Total Pages
Cook & Server Orientation Guide		**20**
Introduction	1-8	8
Job Descriptions & Guidelines	9-13	5
Food Safety	14-20	7
Cook Training Guide		**66**
Introduction	1-5	5
Prep/Fryer	6-14	9
Eggs	15-23	9
Grill	22-36	15
Sandwich/Expo	37-44	8
Cook Tools	45-66	22
Server Training Guide		**56**
Introduction	1-5	5
Shift 1*	6-19	14
Shift 2*	20-28	9
Shift 3*	29-39	11
Shift 4*	40-50	11
Shift 5*	51-56	6
**Note Each shift has information regarding menu knowledge, steps of service, and POS instruction*		
Total Pages		**142**

RECIPE BINDER
FOH Plating Guide - Breakfast
Table of Contents

Topic		Pages	Total Pages
TAB 1	Proteins	1-17	17
TAB 2	Breakfast Sides	1-20	20
TAB 3	French Toast, Waffles, and Pancakes	1-32	32
TAB 4	Egg Breakfasts, Biscuits, Hashbrowns, And Omelets	1-54	54
TAB 5	Kid's Meals	1-14	14
TAB 6	Value Meals	1-10	10
	TOTAL PAGES IN MANUAL		**147**

RECIPE BINDER
FOH Plating Guide – Lunch & Dinner
Table of Contents

Topic		Pages	Total Pages
TAB 1	Proteins	1-13	13
TAB 2	Lunch and Dinner Sides	1-18	18
TAB 3	Starters and Salads	1-40	40
TAB 4	Burgers and Melts	1-15	15
TAB 5	Sandwiches	1-16	16
TAB 6	Dinners	1-16	16
TAB 7	Kid's Meals	1-6	6
TAB 8	Value Meals	1-11	11
	TOTAL PAGES IN MANUAL		**135**

RECIPE BINDER
BOH Prep Guide
Table of Contents

Topic		Pages	Total Pages
TAB 1	Batters, Gravies, and Grits	1-11	11
TAB 2	Frozen Foods and Miscellaneous	1-8	8
TAB 3	Potatoes and Produce	1-23	23
	TOTAL PAGES IN MANUAL		**42**

EXHIBIT G

HUDDLE HOUSE, INC
FRANCHISEE COMPLIANCE QUESTIONNAIRE

As you know, Huddle House, Inc ("HHI") and you are preparing to enter into a Franchise Agreement and/or Market Development Agreement (as indicated in response to question #4 below) for the establishment and operation of one or more HHI franchised businesses The purpose of this Questionnaire is to determine whether any statements or promises were made to you that HHI has not authorized and that may be untrue, inaccurate or misleading Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 I had my first face-to-face meeting with a representative of HHI on _____, 20__

2 Have you received the HHI Franchise Disclosure Document ("FDD") that was provided to you?

Yes _____ No _____

3 Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

4 At this time, you are entering into a (check as applicable)

☐ Franchise Agreement If so, have you received a fully completed copy (other than signatures) of the Franchise Agreement and each attached addendum and/or related agreement?

Yes _____ No _____

☐ Market Development Agreement If so, have you received a fully completed copy (other than signatures) of the Market Development Agreement and each attached addendum and/or related agreement?

Yes _____ No _____

5 Do you understand that the success or failure of your HHI franchised business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

6 Has any employee or other person speaking on behalf of HHI made any statement or promise concerning the revenues, profits or operating costs of a HHI franchised business operated by HHI or its franchisees that is contrary to the information contained in the FDD?

Yes _____ No _____

7 Has any employee or other person speaking on behalf of HHI made any statement or promise regarding the amount of money you may earn in operating, or the likelihood of success you may achieve in operating, the franchised business that is contrary to the information contained in the FDD?

Yes _____ No _____

8 Has any employee or other person speaking on behalf of HHI made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that HHI will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

9 If you are entering into "Franchise Agreement", please answer the following (if not, and instead you are entering into a Market Development Agreement, please skip to Question 10)

A Have you entered into any binding agreement with HHI concerning the purchase of this franchise prior to today (this does not refer to a Market Development Agreement signed with HHI for the development of multiple franchises)?

Yes _____ No _____

B Have you paid any money to HHI concerning the purchase of this franchise prior to today (this is not referring to any development fees paid under a Market Development Agreement signed with HHI)?

Yes _____ No _____

10 If you are entering into "Market Development Agreement", please answer the following (if not, please go to Question 11)

A Have you entered into any binding agreement with HHI concerning the purchase of the development rights prior to today?

Yes _____ No _____

B Have you paid any money to HHI concerning the purchase of the development rights prior to today?

Yes _____ No _____

11 If you have answered "Yes" to any one of questions 6-11, please provide a full explanation of each "Yes" answer in the following blank lines Attach additional pages, if necessary, and refer to them below) If you have answered "No" to each of questions 6-11, please leave the following lines blank

_____

_____

_____

_____

_____

_____

_____

12 I signed (check as applicable)

☐ Franchise Agreement (and addenda, if any) on _____, 20__, and I acknowledge that no agreement or addendum is effective until signed and dated by HHI

☐ Market Development Agreement (and addenda, if any) on _____, 20__, and I acknowledge that no agreement or addendum is effective until signed and dated by HHI

* * *

Please understand that your responses to these questions are important to us and that we will rely on them

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions

APPLICANT

_____

_____, 20__

EXHIBIT H

STATE SPECIFIC DISCLOSURE ADDENDA

California Disclosure Addendum

In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§ 31000-31516, and the California Franchise Relations Act, Cal Bus & Prof Code §§ 20000-20043, the Franchise Disclosure Document for Huddle House, Inc in connection with the offer and sale of franchisees for use in the State of California shall be amended to include the following

1 Our website, www huddlehouse com, has not been reviewed or approved by the California Department of Business Oversight Any complaints concerning the content of the website may be directed to the California Department of Business Oversight at www dbo ca gov

2 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

3 SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE

4 YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516) BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043)

5 In Item 3, "Litigation," shall be amended by the addition of the following paragraphs

Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere

Neither we, nor any person identified in Item 2 above, is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities and Exchange Act of 1934, 15 U S C § 78a, et seq) suspending or expelling such person from membership in such association or exchange

6 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs at the conclusion of the Item

The following notice is required to be inserted in this Disclosure Document by the state of California whenever an applicable provision is included in a Franchise Agreement We reserve the right to attempt to enforce all of the provisions listed below in which we indicate that "this provision may not be enforceable under California law "

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchisee If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C § 101, et seq)

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchisee This provision may not be enforceable under California law

The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

The Franchise Agreement requires that litigation be conducted in Atlanta, Georgia Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The Franchise Agreement requires application of the laws of Georgia This provision may not be enforceable under California law

7 Some of the categories of the financial performance figures in Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your Huddle House Franchised Business Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information "

8 Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law, Cal Corp Code §§ 31000 - 31516, and the California Franchise Relations Act, Cal Bus & Prof Code §§ 2000 - 20043, are met independently without reference to this Addendum to the Disclosure Document

Illinois Disclosure Addendum

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill Comp Stat §§ 705/1 to 705/44 the Disclosure Document for Huddle House, Inc for use in the State of Illinois is amended as follows

1 The "Summary" section of Item 17 (w), entitled Choice of Law, is amended by adding the following language

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met

2 The following language is added to the end of **Item 17**, "Renewal, Termination, Transfer, and Dispute Resolution"

> "Sec 705/4 of the Illinois Franchise Disclosure Act provides that 'any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void, provided that a franchise agreement may provide for arbitration in a forum outside of this state [Illinois] '"
>
> The Franchisee's rights upon non-renewal may be affected by Section 20 of the Illinois Franchise Disclosure Act of 1987 If the Franchisor refuses to renew the Franchise Agreement, the Franchisor will compensate the Franchisee if (and to the extent) such compensation is required under Section 20 of the Illinois Franchise Disclosure Act of 1987
>
> Conditions under which the Franchise Agreement can be terminated may be affected by Section 19 of the Illinois Franchise Disclosure Act of 1987
>
> In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void

3 Each section of this Addendum will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Addendum)

Indiana Disclosure

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2 5-1 to 23-2-2 5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2 7-1 to 23-2-2 7-10, the Franchise Disclosure Document for Huddle House, Inc for use in the State of Indiana shall be amended as follows

1 Item 8, "Restrictions on Sources of Products and Services," shall be amended by the addition of the following language

> Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you

2 Item 12, "Territory," shall be amended by the addition of the following section

> We will not compete unfairly with you within a reasonable area

3 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following sections at the end of the Item

> The Indiana Deceptive Franchise Practices Act requires that any release executed by a Franchisee or transferor must not include any claims arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act
>
> The Indiana Deceptive Franchise Practices Act requires that Indiana law govern any cause of action which arises under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act

4 No release language set forth in the Disclosure Document or the Franchise Agreement shall relieve us or any other person directly or indirectly form liability imposed by the laws concerning franchising of the State of Indiana

5 Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2 5-1 to 23-2-2 5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2 7-1 to 23-2-2 7-10, are met independently without reference to this Addendum to the Disclosure Document

Maryland Disclosure Addendum

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg , §§ 14-201 through 14-233, the Franchise Disclosure Document for Huddle House, Inc for use in the State of Maryland is amended as follows

1 The following language is added to the end of **Item 17**, "Renewal, Termination, Transfer and Dispute Resolution"

> "The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law See **Exhibit MD-1** below for additional information regarding the release
>
> The Franchise Agreement permits you to sue only in the jurisdiction in which we maintain our principal place of business, except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, and for those claims, you may file suit in Maryland
>
> The Franchise Agreement and Market Development Agreement provide for termination upon bankruptcy of the franchisee This provision may not be enforceable under the U S Bankruptcy Code (11 U S C Section 101, *et seq*)
>
> Notwithstanding any provision of the Franchise Agreement or Market Development Agreement to the contrary, any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be commenced within three (3) years from the grant of the franchise or such action shall be barred

2 The following language is added to the end of **Exhibit G**, "Franchisee Compliance Questionnaire"

> "The representations under this Franchisee Compliance Questionnaire are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law "

3 Each provision of this addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233) are met independently without reference to this addendum to the Disclosure Document

Michigan Disclosure Addendum

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS, AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE THIS SUBDIVISION

DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C)

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES

* * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000 00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P O BOX 30222, LANSING, MICHIGAN 48910

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 G MENNEN WILLIAMS BUILDING
LANSING, MICHIGAN 48913

Minnesota Disclosure Addendum

In recognition of the requirements of the Minnesota Franchises Law, Minn Stat §§ 80C 01 through 80C 22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules §§ 2860 0100 through 2860 9930, the Franchise Disclosure Document for Huddle House, Inc for use in the State of Minnesota shall be amended to include the following

1 Item 13, "Trademarks," shall be amended by the addition of the following paragraph at the end of the Item

> Pursuant to Minnesota Stat Sec 80C 12 (Subd 1(g)), we are required to protect any rights which you have to use our Licensed Marks

2 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs

> With respect to franchisees governed by Minnesota law, we will comply with Minn Stat Sec 80C 14, Subds 3, 4, and 5 which require, except in certain specified cases, that a licensee be given 90 days' notice of termination with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the license not be unreasonably withheld
>
> Pursuant to Minn Rule 2860 4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce
>
> Minn Stat § 80C 21 and Minn Rule 2860 4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

3 The Franchise Agreement contains a provision that may be interpreted as a liquidated damages clause under Minnesota law Certain liquidated damages clauses are unenforceable

4 No release language set forth in the Franchise Agreement shall relieve us or any other person directly or indirectly from liability imposed by the laws concerning franchising in the State of Minnesota

5 Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the Disclosure Document

New York Disclosure Addendum

ADDITIONAL RISK FACTORS

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISEE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs tit 13, §§ 200 1 through 201 16), the Franchise Disclosure Document for Huddle House, Inc for use in the State of New York shall be amended as follows

1 Item 3, "Litigation," shall be supplemented by the addition of the following at the beginning of the Item

> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations
>
> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations
>
> Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchisees under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or

national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a franchisee as a real estate broker or sales agent

Other than those actions described below, no litigation is required to be disclosed in this Disclosure Document

2 Item 4, "Bankruptcy" shall be deleted in its entirety, and the following Item 4 shall be substituted in lieu thereof

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

3 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof

Provision	Selection in Franchise Agreement	Summary
d Termination by you	None	Pursuant to New York General Business Law, the Franchisee may terminate the Agreement upon any grounds available by law
j Assignment of contract by us	13(a)	No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement
w Choice of law	22(a)	The foregoing choice of law should not be considered as a waiver of any right conferred upon the Franchisor or the Franchisee by the General Business Law of the State of New York, Article 33

4 There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchisee will be opened in New York We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

5 Modifications that we make to our Manual as permitted by the Franchise Agreement will not impose an unreasonable economic burden on you

6 Provisions of general releases are mentioned in this Disclosure Document and specified in the Franchise Agreement These releases are limited by the following all rights enjoyed by you and any cause of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and regulations issued under this law shall remain in force, it being the intent that the non-waiver provisions of the General Business Law of the State of New York, Sections 687 4 and 687 5 be satisfied

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

North Dakota Disclosure Addendum

In recognition of the requirements of the North Dakota Franchise Investment Law, N D Cent Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Huddle House, Inc shall be amended by the addition of the following language

1 The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N D C C)

A Restrictive Covenants Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N D C C , without further disclosing that such covenants will be subject to this statute

B Situs of Arbitration Proceedings Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business

C Restriction on Forum Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota

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

E Applicable Laws Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota

F Waiver of Trial by Jury Requiring North Dakota franchisees to consent to the waiver of a trial by jury

G Waiver of Exemplary and Punitive Damages Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages

H General Release Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise

2 Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N D Cent Code, §§ 51-19-1 through 51-19-17, are met independently without reference to this Addendum to the Disclosure Document

Rhode Island Disclosure Addendum

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28 1-1 through 19-28 1-34, the Franchise Disclosure Document for Huddle House, Inc for use in the State of Rhode Island shall be amended as follows

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

> § 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

2 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act §§ 19-28 1-1 through 19-28 1-34, are met independently without reference to this Addendum to the Disclosure Document

Virginia Disclosure Addendum

In recognition of the requirements of the Virginia Retail Franchising Act, Virginia Code, Title 13 1, Chapter 8, §§ 13 1-557 through 13 1-574, the Franchise Disclosure Document for Huddle House, Inc (the "**FDD**") for use in the State of Virginia shall be amended as follows

1 Item 17 h is amended by the addition of the following statements

> "Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable "

2 This Addendum to the FDD shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum to the FDD

Washington Disclosure Addendum

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 180, the Franchise Disclosure Document for Huddle House, Inc in connection with the offer and sale of franchisees for use in the State of Washington shall be amended to include the following

1 Item 5, "Initial Fees," shall be amended by the addition of the following at the end of the paragraph Existing Franchisee Referral Program'

> Franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State

2 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs at the conclusion of the Item

> The state of Washington has a statute, RCW 19 100 180, which may supersede the franchise agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchisee
>
> In any arbitration involving a franchisee purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator
>
> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail
>
> A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable
>
> Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

2 Each provision of this addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 180, are met independently without reference to this addendum to the Disclosure Document

EXHIBIT I

STATE-SPECIFIC AGREEMENT AMENDMENTS

California Franchise Agreement Amendment

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the parties to the attached Huddle House, Inc Franchise Agreement (the "Agreement") agree as follows

1 If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U S C §101, et seq) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply

2 The Agreement requires that it be governed by Georgia law This requirement may be unenforceable under California law

3 Franchisee must sign a general release if Franchisee renews or transfers Franchisee's franchise California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

4 Franchisee and Franchisor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

5 To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern

6 Each provision of this amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law and California Franchise Relations Act are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

California Market Development Agreement Amendment

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the parties to the attached Huddle House, Inc Market Development Agreement (the "Agreement") agree as follows

1 If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U S C §101, et seq) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply

2 The Agreement requires that it be governed by Georgia law This requirement may be unenforceable under California law

3 Franchisee must sign a general release if Franchisee renews or transfers Franchisee's franchise California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

4 Franchisee and Franchisor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

5 To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern

6 Each provision of this amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law and California Franchise Relations Act are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Market Development Agreement Amendment on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill Comp Stat §§ 705/1 to 705/44, the parties to the attached Huddle House, Inc Franchise Agreement (the "**Agreement**") agree as follows

1 The following new Section 3(d) is added to the existing **Section 3** of the Agreement, under the heading "Term"

> (d) If any of the provisions of this Section 3 are inconsistent with Section 20 of the Illinois Franchise Disclosure Act, the provisions of the Act will apply If Company refuses to renew this Agreement, Company will compensate Operator if (and to the extent) compensation is required under Section 20 of the Illinois Franchise Disclosure Act

2 The following new **Section 14(e)** will be added to **Section 14** of the Agreement, under the heading "Default and Termination"

> (e) If any of the provisions of this Section 14 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply

3 **Section 22(a)** of the Agreement, under the heading "Governing Law," is deleted and replaced by the following new Section 22(a)

> (a) Choice of Law This Agreement and related agreements are accepted by Company in the State of Georgia and shall be governed by, construed in accordance with and enforced in accordance with the laws of the state of Illinois, which laws shall prevail in the event of any conflict, provided, however, (i) any provision not enforceable under Illinois law shall be construed in accordance with the laws of the State(s) where such restriction(s) is(are) to apply, (ii) any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (iii) the laws of the state in which the Premises are located shall apply to the construction and enforcement of the obligations set forth in Sections 7(cc) and 12(b) hereof, without regard to its conflicts of laws

4 The following language is added to the end of **Section 22(b)** of the Agreement, under the heading "Governing Law"

> Operator and Company agree that the preceding limitations of this Section 22(b) will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void "

5 The following new **Section 22(d)** is added to **Section 22** of the Agreement, under the heading "Governing Law"

> (d) Nothing contained in this Section or elsewhere in this Agreement will constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met)

6 Each section of this Amendment will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Amendment)

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Franchise Agreement Amendment on the same day as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Illinois Market Development Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill Comp Stat §§ 705/1 to 705/44, the parties to the attached Huddle House, Inc Market Development Agreement the "**Agreement**") agree as follows

1 The following new **Section 8(c)** is added to **Section 8** of the Agreement, under the heading "Termination"

> (c) If any of the provisions of this Section 8 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then said Illinois law shall apply

2 **Section 16(d)** of the Agreement, under the heading "Miscellaneous Provisions," is replaced by the following new Section 16(d)

> (d) Governing Law/Jurisdiction This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Illinois The parties agree and consent to personal jurisdiction of the Superior Court of Fulton County, Georgia, and the United States District Court for the Northern District of Georgia, Atlanta Division, with regard to any civil action relating to any claim arising under this Agreement, and agree that venue shall be proper in such courts for such action, except with respect to claims arising under the Illinois Franchise Disclosure Act Operator and Company agree that the limitations of the preceding sentence will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void") may be brought in Illinois Nothing in this Section 16 d is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Illinois to which it would not otherwise be subject

3 The following new language is added to the end of **Section 16(e)** of the Agreement, under the heading "Miscellaneous Provisions"

> Nothing in this Section 16(e) or elsewhere in this Market Development Agreement will constitute a condition, stipulation or provision purporting to bind any person to waive compliance with any provision of the Illinois Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met)

4 Each section of this Amendment will be effective only to the extent (for that section) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (without reference to this Amendment)

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Market Development Agreement Amendment on the same day as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Maryland Amendment to Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg , §§ 14-201 through 14-233, the parties to the attached Huddle House, Inc Franchise Agreement (the "**Agreement**") agree as follows

1 **Section 13(c)(vi)** of the Agreement, under the heading "Transfer and Assignment," shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (vi) That any transferor shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company, its parent, subsidiaries, affiliates and their respective officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement, excluding only such claims as the transferor may have under the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233),

2 **Sections 22(b)(ii)** and **(iii)** of the Agreement, under the heading "Governing Law," shall be supplemented by the addition of the following language at the end of each of those Sections

> Operator and Company agree that the preceding limitations of this Section 22(b) regarding jurisdiction and venue of actions shall not apply with respect to claims arising under the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233), which may be brought in Maryland

3 **Section 22(b)(v)** of the Agreement, under the heading "Governing Law," shall be deleted in their entirety, and shall have no force or effect, and the following Section (v) shall be substituted in lieu thereof

> (v) Any and all claims and actions arising out of or relating to this Agreement, the relationship of Operator and Company (or Company's affiliates), or Operator's operation of the Franchised Business, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred, except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233) shall be commenced within three (3) years from the grant of the franchise

4 **Section 23** of the Agreement, under the heading "Acknowledgments," shall be supplemented by the following

> The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law

The Franchise Compliance Certification is not intended to, and shall not act, as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law

5 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233) are met independently without reference to this amendment

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Maryland Market Development Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg , §§ 14-201 through 14-233, the parties to the attached Huddle House, Inc Market Development Agreement (the "**Agreement**") agree as follows

1. **Section 16(d)** of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the addition of the language at the end of Section 16(d)

> Operator and Company agree that the preceding limitations of this Section 16(d) regarding jurisdiction and venue of actions shall not apply with respect to claims arising under the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233), which may be brought in Maryland

2 **Section 16(e)** of the Agreement, under the heading "Miscellaneous Provisions" shall be deleted in its entirety, and shall have no force or effect, and the following shall be substituted in lieu thereof

> (e) Time for Claims and Waivers Any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Company (or Company's affiliates), or Developer's development of Huddle House Restaurants under this Agreement, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred, except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233) shall be commenced within three (3) years from the grant of the franchise

3 **Section 17** of the Agreement, under the heading "Developer's Acknowledgments," shall be supplemented by the following

> The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law
>
> The Franchise Compliance Certification is not intended to, and shall not act, as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law

4. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md Code Bus Reg §§ 14-201 through 14-233) are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Market Development Agreement Amendment on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Minnesota Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn Stat §§ 80C 01 through 80C 22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules §§ 2860 0100 through 2860 9930, the parties to the attached Huddle House, Inc Franchise Agreement (the "**Agreement**") agree as follows

1 **Section 6** of the Agreement, under the heading "Licensed Marks," shall be amended by the addition of the following new **Section 6(f)**

> (f) Pursuant to Minnesota Stat Sec 80C 12 (Subd 1(g)), Company is required to protect any rights Franchisee may have to Company's Licensed Marks

2 **Section 13(c)(vi)** of the Agreement, under the heading "Consent by Company to Proposed Transfer," shall be deleted in its entirety and shall have no force or effect, and the following Section 13(c)(vi) shall be inserted in lieu thereof

> (vi) The transferor shall have executed a general release under seal, in a form satisfactory to Company, of any and all claims against Company and its officers, directors, shareholders and employees, in their corporate and individual capacities, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce

3 **Section 13** of the Agreement, under the heading "Consent by Company to Proposed Transfer," shall be supplemented by the addition of the following new **Section 13(c)(xii)**

> (xii) Minnesota law provides franchisees with certain transfer rights In sum, Minn Stat § 80C 14 (Subd 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld

4 **Section 14** of the Agreement, under the heading "Default and Termination," shall be supplemented by the following new **Section 14(f)**

> (f) Minnesota law provides franchisees with certain termination rights In sum, Minn Stat § 80C 14 (Subd 3) currently requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), and 180 days' notice for non-renewal of the Franchise Agreement

5 **Section 22** of the Agreement, under the heading "Governing Law", shall be supplemented by the following **Section 22(d)**, which shall be considered an integral part of the Agreement

> (d) Minn Stat § 80C 21 and Minn Rule 2860 4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s), can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

6 Notwithstanding **Section 22(b)(v)**, under the heading "Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers", in the event that a claim is brought pursuant to Minn Stat § 80C 17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn Stat § 80C 17 (Subd 5)

7 Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Minnesota Market Development Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn Stat §§ 80C 01 through 80C 22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules §§ 2860 0100 through 2860 9930, the parties to the attached Huddle House, Inc Market Development Agreement (the "**Agreement**") agree as follows

1 **Section 13** of the Agreement, shall be supplemented by the addition of the following new **Section 13(f)**

> (f) Minnesota law provides franchisees with certain transfer rights In sum, Minn Stat § 80C 14 (Subd 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld

2 **Section 8** of the Agreement, under the heading "Termination," shall be supplemented by the following new **Section 8(c)**

> (c) Minnesota law provides franchisees with certain termination rights In sum, Minn Stat § 80C 14 (Subd 3) currently requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), and 180 days' notice for non-renewal of the Franchise Agreement

3 **Section 16** of the Agreement, under the heading "Miscellaneous Provisions", shall be supplemented by the following **Section 16(n)**, which shall be considered an integral part of the Agreement

> (n) Minn Stat § 80C 21 and Minn Rule 2860 4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

4 Notwithstanding **Section 16 e** of this Agreement, under the heading "Time for Claims", in the event that a claim is brought pursuant to Minn Stat § 80C 17, that claim must be commenced no more than three (3) years after the cause of action accrues, pursuant to Minn Stat § 80C 17 (Subd 5)

5 Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Market Development Agreement Amendment on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs, tit 13, §§ 200 1 through 201 16), the parties to the attached Huddle House, Inc Franchise Agreement (the "Agreement") agree as follows

1 Section 13(c)(vi), under the heading "Transfer and Assignment," shall be deleted in its entirety, and shall have no force or effect, and the following shall be substituted in lieu thereof

> (vi) The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of N Y Gen Bus Law Sections 687 4 and 687 5 be satisfied,

2 Section 20 of the Agreement, under the heading "Enforcement," shall be supplemented by the addition of the following to Section 20

> (d) Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680–695

3 There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchisee will be opening in New York Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

New York Market Development Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs , tit 13, §§ 200 1 through 201 16), the parties to the attached Huddle House, Inc Market Development Agreement (the "**Agreement**") agree as follows

1 Section 16 of the Agreement, under the heading "Miscellaneous Provisions," shall be supplemented by the addition of the following to Section 16

> (n) Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680–695

2 There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchisee will be opening in New York Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Market Development Agreement Amendment on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

North Dakota Franchise Agreement Amendment

In recognition of the requirements of North Dakota Law and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Huddle House, Inc Franchise Agreement (the "**Agreement**") agree as follows

1 The Agreement shall be amended by the addition of the following **Section 24**

24 The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N D C C)

A Restrictive Covenants Any provision (i e , Section 12) which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N D C C , without further disclosing that such covenants will be subject to this statute

B Restriction on Forum Any provision (i e , Section 22) requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota

C Liquidated Damages and Termination Penalties Any provision (i e , Sections 12(d)(ii) and 14(c)) requiring North Dakota franchisees to consent to liquidated damages or termination penalties

D Applicable Laws Any provision (i e , Section 22) which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota

E Waiver of Trial by Jury Any provision (i e , Section 22(b)(iv)) requiring North Dakota franchisees to consent to the waiver of a trial by jury

F Waiver of Exemplary and Punitive Damages Any provision (i e , Section 22(b)(vi)) requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages

G General Release Any provision (i e , Section 13) requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise

2 This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N D Cent Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Franchise Agreement Amendment on the same day as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

North Dakota Market Development Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N D Cent Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Huddle House, Inc Market Development Agreement the "**Agreement**") agree as follows

1. The Agreement shall be amended by the addition of the following **Section 18**

18 The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N D C C)

A Situs of Arbitration Proceedings Any provision (i e , Section 15) requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business

B Restriction on Forum Any provision (i e , Section 16) requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota

C Liquidated Damages and Termination Penalties Any provision (i e , Sections 5(c)(v) and 6(c)(iii)) requiring North Dakota franchisees to consent to liquidated damages or termination penalties

D Applicable Laws Any provision (i e , Section 16) which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota

E Waiver of Trial by Jury Any provision (i e , Section 16(f)) requiring North Dakota franchisees to consent to the waiver of a trial by jury

F Waiver of Exemplary and Punitive Damages Any provision (i e , Section 16(g)) requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages

2 This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N D Cent Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Franchise Agreement Amendment on the same day as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Rhode Island Franchise Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28 1-1 through 19-28 1-34, the parties to the attached Huddle House, Inc Franchise Agreement (the "Agreement") agree as follows

1 Section 13 of the Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise Such release will exclude claims arising under the Rhode Island Franchise Investment Act

2 This Agreement requires that it be governed by Georgia law To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28 1-14

3 Section 22(b)(ii) of the Agreement, under the heading "Consent to Personal Jurisdiction, Forum Selection, Consent to Service of Process, and Waivers," will be amended by the addition of the following, which will be considered an integral part of this Agreement

> § 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

4 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

5 Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Amendment

6 To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Rhode Island Market Development Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28 1-1 through 19-28 1-34, the parties to the attached Huddle House, Inc Market Development Agreement (the "Agreement") agree as follows

1 This Agreement requires that it be governed by Georgia law To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28 1-14

2 Section 16 of the Agreement, under the heading "Miscellaneous Provisions," will be amended by the addition of the following, which will be considered an integral part of this Agreement

> § 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

3 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

4 Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Amendment

5 To the extent this Amendment is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Amendment shall govern

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment Market Development Agreement Addendum on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Washington Franchise Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, the parties to the attached Huddle House, Inc Franchise Agreement (the "Agreement") agree as follows

1 The state of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchisee

2 In any arbitration involving a franchisee purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

~~6~~

6 Section 12 of the Franchise Agreement is amended by deleting Section 12(c)(iii) Additionally the parties acknowledge and agree that requirements of Section 12(h) of the Franchise Agreement with respect to any of Operator's managerial personnel will subject to Washington law regarding non-competition restrictions on employees in the States of Washington

7 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Franchise Agreement Amendment on the same date as the Franchise Agreement was executed

COMPANY
HUDDLE HOUSE, INC ,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

Washington Market Development Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, the parties to the attached Huddle House, Inc Market Development Agreement (the "Agreement") agree as follows

1 The state of Washington has a statute, RCW 19 100 180, which may supersede the Market Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Market Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchisee

2 In any arbitration involving a franchisee purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

6 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, are met independently without reference to this amendment

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Market Development Agreement Amendment on the same date as the Market Development Agreement was executed

COMPANY
HUDDLE HOUSE, INC.,
a Georgia corporation

By _____

Name _____

Title _____

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

By _____
FRANCHISEE SIGNATORY1, TITLE

By _____
FRANCHISEE SIGNATORY2, TITLE

EXHIBIT J

SAMPLE GENERAL RELEASE LANGUAGE

Franchisee [Developer], its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Huddle House, Inc , its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any or all members of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise [Development] Agreement, the relationship created by the Franchise [Development] Agreement, or the development, ownership, or operation of the Huddle House Restaurant The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise [Development] Agreement or the Huddle House Restaurant The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein

EXHIBIT K
RECEIPTS

ITEM 23 – RECEIPT

(to be retained by Prospective Franchisee)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Huddle House, Inc offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

New York requires that Huddle House, Inc gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

Michigan requires that Huddle House, Inc gives you this Disclosure Document at least 10 days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Huddle House, Inc does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and your state agency (identified on **Exhibit B**)

The franchisor is Huddle House, Inc , 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328 Its telephone number is (770) 325-1300

Issuance Date August 9, 2019- as amended October 9, 2019

The franchise seller for this offering is Tim Linderman, Chief Development Officer, whose address is 5901-B Peachtree Dunwoody Road, Suite 450, Sandy Springs, Georgia 30328, and telephone number is (770) 325-1300 Additional franchise sellers involved in this franchise offering are listed on the attached page (if applicable)

Huddle House, Inc authorizes the agencies identified on **Exhibit B** to receive service of process for it in the particular state

I have received a Disclosure Document dated August 9, 2019, as amended October 9, 2019 that included the following Exhibits and other Attachments

Exhibit A – Huddle House Standard Contracts
Exhibit B – List of Agents for Service of Process
Exhibit C – List of State Administrators
Exhibit D – List of Franchise Owners and Former Franchisees
Exhibit E – Financial Statements
Exhibit F – Table of Contents to Manual
Exhibit G – Franchisee Compliance Questionnaire
Exhibit H – State-Specific Disclosure Addenda
Exhibit I – State-Specific Agreement Amendments
Exhibit J – Sample General Release Language
Exhibit K – Receipts

_____
Date Disclosure Document Received

If you are a sole proprietorship, please complete this shaded section

You	**Your Spouse**
_____	_____
Signature	Signature
Print Name _____	Print Name _____

If you are a business entity (corporation, partnership, limited liability company, etc), please complete the unshaded sections

Name of Entity _____

Officers

By _____
Print Name
Title

By _____
Print Name
Title

Equity Holders of 10% or More

Equity Holder No 1

_____
Signature
Print Name _____

Equity Holder No 2

_____
Signature
Print Name _____

Equity Holder No 1's Spouse

_____
Signature
Print Name _____

Equity Holder No 2's Spouse

_____
Signature
Print Name _____

Equity Holder No 3

_____
Signature
Print Name _____

Equity Holder No 4

_____
Signature
Print Name _____

Equity Holder No 3's Spouse

_____
Signature
Print Name _____

Equity Holder No 4's Spouse

_____
Signature
Print Name _____

If there are more than 4 equity holders of 10% or more, please copy this Receipt and continue signatures on the additional copy

TO BE RETAINED BY PROSPECTIVE FRANCHISEE

ITEM 23 – RECEIPT
(to be returned to HHI)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language Read this Disclosure Document and all agreements carefully

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You	**Your Spouse**
_____	_____
Signature	Signature
Print Name _____	Print Name _____

If you are a business entity (corporation, partnership, limited liability company, etc), please complete the unshaded sections

Name of Entity _____

Officers

By _____
Print Name
Title

By _____
Print Name
Title

Equity Holders of 10% or More

Equity Holder No 1

_____
Signature
Print Name _____

Equity Holder No 2

_____
Signature
Print Name _____

Equity Holder No 1's Spouse

_____
Signature
Print Name _____

Equity Holder No 2's Spouse

_____
Signature
Print Name _____

Equity Holder No 3

_____
Signature
Print Name _____

Equity Holder No 4

_____
Signature
Print Name _____

Equity Holder No 3's Spouse

_____
Signature
Print Name _____

Equity Holder No 4's Spouse

_____
Signature
Print Name _____

If there are more than 4 equity holders of 10% or more, please copy this Receipt and continue signatures on the additional copy

TO BE RETURNED TO

Huddle House, Inc
5901B Peachtree Dunwoody Rd , Ste 450
Sandy Springs, GA 30328