FRANCHISE DISCLOSURE DOCUMENT

Penn Station, Inc.
An Ohio Corporation
1226 US Highway 50
Milford, Ohio 45150
(513) 474-5957
www.penn-station.com

The franchisee will own and operate an upscale, prepared-to-order "East Coast" style cheesesteak and submarine sandwich restaurant business.

The total investment necessary to begin operation of a single Penn Station franchise (excluding the amount of any territory fee) ranges from $366,693 to $820,026. This includes the $25,000 initial franchise fee and the $3,500 site development fee that must be paid to Penn Station, Inc. For an additional territory fee, we may elect to offer to you the right to open multiple Penn Station franchises in a specified territory under a mutually agreeable development schedule. The territory fee is applicable only if you and we agree to enter into a multi-unit development agreement. The territory fee is equal to $3,500 multiplied by the total number of Penn Station franchises we may agree on with you to be opened and is in addition to the total investment range described above for one franchise.

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**.

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 31, 2023, as amended May 18, 2023
SINGLE UNITS

TYPE OF EXPENDITURE*	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
OPENING INVENTORY (Note 5)	$5,990 to $13,212	As Arranged; Usually Lump Sum	As Arranged; Usually 30 Days After Opening	Authorized Supplier(s)
SECURITY DEPOSITS & PREPAID EXPENSES				
1. Telephone Deposit	$0 to $150	Lump Sum	Before Opening	Telephone Company
2. Insurance (per year) in the form required by the Franchise Agreement	$792 to $3,350	Lump Sum or As Arranged	Before Opening	Insurance Companies
3. Lease Security Deposit	$0 to $8,413	Lump Sum	At Signing of Lease	Landlord
4. Utility Deposit	$0 to $1,500	Lump Sum	Before Opening	Utility Companies
ADDITIONAL FUNDS FOR FIRST 3 MONTHS (Note 6)	$10,000 to $48,035	As Incurred	As Incurred	Employees, Suppliers, Taxing Authorities; Various Vendors/Creditors
OTHER EXPENSES:				
1. Site Advertising for Opening (Note 7)	$0 to $8,778	As Arranged	As Arranged	Authorized Vendor(s)
2. Design Fees for Construction	$4,654 to $17,368	As Arranged	As Arranged	Authorized Architect
3. Legal Fees; Organizational Costs	$0 to $8,826	As Incurred	As Incurred	Your Lawyer; Government Authorities
4. Pre-Opening Interest Cost (Note 8)	$0 to $4,700	As Arranged	As Arranged	Bank; Lending Institution(s)
5. Travel, Room and Board to Attend Training Program (depending on distance to training facility)	$6,539 to $11,402	As Incurred	As Incurred	Various
6. Permits/Licenses (Note 9)	$135 to $1,971	As Incurred	As Incurred	Government Authorities
TOTAL (Notes 10, ~~11~~11, 13)	$366,693 to $820,026 per Restaurant. Does not include lease expenses (see Note 2) or the optional Territory Fee (see Note 13 below and Item 5 above regarding the terms and applicability of the Territory Fee).			

Notes:

* The amounts for the Estimated Initial Investment is per Restaurant you open. These sums are based on amounts reported to us during 2022. Except as noted below, these payments are non-refundable.

products, including the location of your Restaurant; the length of time between the date you begin incurring costs (including the hiring of your General Manager and Operations Director, if applicable) and the date you open your Restaurant for business; whether the Managing Owner operates the first Restaurant in lieu of hiring a General Manager; whether you are opening a Restaurant in a market where there were previously no Penn Station Restaurants; and the sales level reached during and after the first three months of operation. *See* Item 19 below. You should prepare a business plan, after consulting with your accountant and other franchisees in similar markets, that considers long-term and short-term cash needs and reserve requirements.

(7) We require you to spend up to $10,000 for Grand Opening Advertising. *See* Item 6, Note 16 above.

(8) This amount estimates the interest cost (which may be in the form of fees) on your financing (per Restaurant) before your Penn Station Restaurant opens. This expense was based solely on amounts reported to us by franchisees who opened Restaurants in 2022. This expense will vary greatly depending on the terms you negotiate with your lender, including the interest rate and the date you must start paying interest.

(9) This amount does not include the cost of any construction-related permits which vary greatly with the building/zoning department of each locality. Construction-related permits are included in the cost of construction.

(10) The amounts given in this Item 7 reflect our estimate based on information reported to us by our franchisees. The exact cost will depend on a variety of factors that we cannot know in advance, such as the layout, geographical location, and initial condition of the site for your Penn Station Restaurant, whether the Restaurant is free-standing, what amount of the development costs your landlord is willing to assume, local licensing, compliance with building codes and other laws, economic conditions, and technology changes. You should review these figures carefully with a business advisor before making any decision to purchase a Penn Station franchise. For Restaurants opened in 2022, the average amount spent for Store Construction and Equipment was $493,267 with five stores above the average and three stores below the average. Eight new restaurants opened in 2022.

(11) We do not offer direct or indirect financing to franchisees for any items. Our affiliate, PS Realty, has, in the past, acquired and developed, but does not actively acquire and develop, free-standing Restaurants. It leased the land, the building shell, and, in some cases, certain interior improvements to our franchisees. A $10,000 security deposit is required. *See* Item 10 below.

(12) Some landlords grant to franchisees an allowance for store construction as an inducement to sign a lease. During 2022, the average allowance of the two franchisees who received allowances was $77,694 with six out of eight new Restaurants receiving no allowance. We have deducted the average allowance from the store construction cost shown in the table in this Item 7 and in the total cost amount shown above.

(13) You will only pay the Territory Fee if you sign the Multi-Unit Agreement. Because the Territory Fee is based on the number of Penn Station franchises to be opened under your Multi-Unit Agreement, if you sign a Multi-Unit Agreement, we cannot estimate the total amount of any Territory Fee and have not included it in the totals in this Item 7. See Item 5 above for additional information regarding the Territory Fee.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Types of Products and Services Covered:

Restaurant Operational Items:

franchisees' books and records or requesting our franchisees to provide us audited financial statements. None of the Franchisee Financial Statements nor the Unit Financial Data Documents make all of the disclosures or expense accruals required, and neither of them present information in the format prescribed, by generally accepted accounting principles. For example, no expense item is shown in the Unit Financial Data Documents for a franchisee owner's salary, benefits or expenses, multiple unit overhead, interest, income taxes and debt service, or for non-cash items such as depreciation and amortization expense (except the absence of those expenses are used to determine EBITDA (as that term appears in an applicable Unit Financial Data Document or in the notes that follow the Unit Financial Data Documents)) and organizational expenses. Moreover, certain expenses such as utilities, insurance, and personal property taxes are recorded on a cash versus an accrual basis. Accordingly, we do not make any representations and cannot give any assurances that the results reported in any of the Franchisee Financial Statements or the Unit Financial Data Documents would be consistent with, or the same as, those which would result if generally accepted accounting principles were followed in the presentation of the information in the Franchisee Financial Statements and the Unit Financial Data Documents. We designed the Franchisee Financial Statements to present information in a form useful to us to measure the cash results from the operations of the Restaurants.

The Restaurants from which we gathered this information are substantially similar to the franchise being offered by this disclosure document. Written substantiation of the information contained in the Unit Financial Data Documents in the form of the Franchisee Financial Statements received by us is made available to you on your reasonable request. We, however, reserve the right to maintain the anonymity of our franchisees.

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

~~Other than the financial performance representations contained in this Item 19, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Craig N. Dunaway, 1226 US Highway 50, Milford, Ohio 45150, (513) 474-5957, the Federal Trade Commission, and the appropriate state regulatory agencies.~~

{the Unit Financial Data Documents follow this page}

ALL 308 FRANCHISEE UNITS OPEN ALL OF 2022 (See the notes below)						
NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	~~2,198,841~~2,198,235	~~179,379~~176,799	~~839,110~~873,668	~~787,066~~785,104	135	43.83%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	558,279	50,786	212,181	197,343	135	43.83%
Wages	393,145	47,512	165,592	158,352	136	44.16%
Payroll Taxes	36,058	4,426	16,044	15,288	132	42.86%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	55,071	~~5,964~~5,913	~~20,727~~20,703	~~19,574~~19,553	135	43.83%
Promotion and Discount	26,838	1,334	9,181	8,626	134	43.51%
Printing	2,664	19	309	0	113	36.69%
Permits & Licenses	4,009	10	493	411	100	32.47%
Maintenance & Repair	35,276	2,493	11,527	10,248	121	39.29%
Laundry & Uniforms	6,064	388	2,099	1,789	117	37.99%
Food Prep. Supplies	24,457	23	1,184	776	82	26.62%
Utilities	41,884	12,228	23,248	23,031	144	46.75%
Royalty	~~147,942~~147,870	~~7,722~~7,643	~~62,609~~62,457	~~62,816~~62,773	155	50.32%
Office Supplies	7,347	4	704	471	112	36.36%
Rent	100,266	15,732	47,264	45,619	145	47.08%
Accounting/Legal	35,672	542	5,562	5,372	140	45.45%
Delivery	133,977	607	34,572	32,150	139	45.13%
Technology	7,377	1,446	3,212	3,100	132	42.86%
Bank Service Charges	65,716	3,837	14,804	14,027	142	46.10%
General Insurance	22,080	214	2,951	2,429	105	34.09%
Personal Property Tax	6,953	14	1,293	1,080	131	42.53%
Cash Short & Over	9,799	1	627	276	96	31.17%
Employee Benefits – Other	24,920	11	3,119	1,367	103	33.44%
Recruitment Fees	4,175	24	626	290	192	62.34%
Miscellaneous	14,710	8	1,137	619	111	36.04%
Operating Income (in dollar amounts)	~~820,702~~820,139	(~~24,322~~26,704)	~~198,044~~196,778	~~173,701~~172,253	~~129~~ 130	~~41.88~~42.21%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
General Manager's Salary	196,500	0	62,641	58,872	124	40.26%
General Manager's Payroll Tax	14,932	0	5,188	4,978	132	42.86%
General Manager's Health Insurance	25,052	11	2,252	1,382	116	37.66%
Transfer & Training	29,508	20	1,324	222	74	24.03%
Other Income/Expense	6,900	(6,729)	(127)	0	246	79.87%
EBITDA (in dollar amounts)	~~627,241~~626,678	(~~54,641~~57,023)	~~126,764~~125,499	104,654	~~135~~ 132	~~43.83~~42.86%

The notes below are an integral part of this Unit Financial Data Document.

COMPANY-OWNED UNIT OPEN ALL OF 2022 (See the notes below)						
NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	~~1,255,894~~1,255,620	~~1,255,894~~1,255,620	~~1,255,894~~1,255,620	~~1,255,894~~1,255,620	0	0.00%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	325,381	325,381	325,381	325,381	0	0.00%
Wages	255,728	255,728	255,728	255,728	0	0.00%
Payroll Taxes	23,878	23,878	23,878	23,878	0	0.00%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	~~37,334~~37,329	~~37,334~~ 37,329	~~37,334~~ 37,329	~~37,334~~ 37,329	0	0.00%
Promotion and Discount	11,064	11,064	11,064	11,064	0	0.00%
Printing	621	621	621	621	0	0.00%
Permits & Licenses	513	513	513	513	0	0.00%
Maintenance & Repair	17,952	17,952	17,952	17,952	0	0.00%
Laundry & Uniforms	3,239	3,239	3,239	3,239	0	0.00%
Food Prep. Supplies	565	565	565	565	0	0.00%
Utilities	22,194	22,194	22,194	22,194	0	0.00%
[Royalty]	~~100,472~~100,450	~~100,472~~ 100,450	~~100,472~~ 100,450	~~100,472~~ 100,450	0	0.00%
Office Supplies	557	557	557	557	0	0.00%
Rent	89,036	89,036	89,036	89,036	0	0.00%
Accounting/Legal	1,978	1,978	1,978	1,978	0	0.00%
Delivery	65,631	65,631	65,631	65,631	0	0.00%
Technology	3,120	3,120	3,120	3,120	0	0.00%
Bank Service Charges	20,275	20,275	20,275	20,275	0	0.00%
General Insurance	3,600	3,600	3,600	3,600	0	0.00%
Personal Property Tax	3,265	3,265	3,265	3,265	0	0.00%
Cash Short & Over	0	0	0	0	0	0.00%
Employee Benefits – Other	591	591	591	591	0	0.00%
Recruitment Fees	2,988	2,988	2,988	2,988	0	0.00%
Miscellaneous	0	0	0	0	0	0.00%
Operating Income (in dollar amounts)	~~266,133~~265,886	~~266,133~~ 265,886	~~266,133~~ 265,886	~~266,133~~ 265,886	0	0.00%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
General Manager's Salary	58,368	58,368	58,368	58,368	0	0.00%
General Manager's Payroll Tax	5,070	5,070	5,070	5,070	0	0.00%

General Manager's Health Insurance	1,269	1,269	1,269	1,269	0	0.00%
Transfer & Training	7,500	7,500	7,500	7,500	0	0.00%
Other Income/Expense	(140)	(140)	(140)	(140)	0	0.00%
EBITDA (in dollar amounts)	~~194,067~~193,820	~~194,067~~193,820	~~194,067~~193,820	~~194,067~~193,820	0	0.00%

The notes below are an integral part of this Unit Financial Data Document.

ALL 309 UNITS OPEN ALL OF 2022 (See the notes below)						
NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	~~2,198,841~~2,198,235	~~179,379~~17 6,799	~~840,458~~839,021	~~787,909~~78 6,222	136	44.01%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	558,279	50,786	212,547	197,501	136	44.01%
Wages	393,145	47,512	165,884	158,638	137	44.34%
Payroll Taxes	36,058	4,426	16,070	15,299	133	43.04%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	55,071	~~5,964~~5,913	~~20,780~~20,757	~~19,576~~19,555	~~136~~135	~~44.01~~43.69%
Promotion and Discount	26,838	1,334	9,187	8,637	135	43.69%
Printing	2,664	19	310	0	114	36.89%
Permits & Licenses	4,009	10	493	412	101	32.69%
Maintenance & Repair	35,276	2,493	11,547	10,274	121	39.16%
Laundry & Uniforms	6,064	388	2,103	1,791	118	38.19%
Food Prep. Supplies	24,457	23	1,182	775	83	26.86%
Utilities	41,884	12,228	23,245	23,027	144	46.60%
Royalty	~~147,942~~147,870	~~7,722~~ 7,643	~~62,732~~ 62,580	~~62,885~~62,747	156	50.49%
Office Supplies	7,347	4	704	473	112	36.25%
Rent	100,266	15,732	47,400	45,640	146	47.25%
Accounting/Legal	35,672	542	5,550	5,372	142	45.95%
Delivery	133,977	607	34,673	32,346	138	44.66%
Technology	7,377	1,446	3,211	3,101	132	42.72%
Bank Service Charges	65,716	3,837	14,822	14,110	143	46.28%
General Insurance	22,080	214	2,953	2,435	106	34.30%
Personal Property Tax	6,953	14	1,300	1,080	132	42.72%
Cash Short & Over	9,799	1	624	274	97	31.39%
Employee Benefits – Other	24,920	11	3,111	1,367	3	0.97%
Recruitment Fees	4, 175	24	633	290	105	33.98%
Miscellaneous	14,710	8	1,134	618	111	35.92%
Operating Income (in dollar amounts)	~~820,702~~820,139	(~~24,322~~26,704)	~~198,264~~197,002	~~173,915~~173,296	~~129~~ 130	~~41.75~~42.07%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
General Manager's Salary	196,500	4,622	62,628	58,779	124	40.13%
General Manager's Payroll Tax	14,932	354	5,188	4,985	132	42.72%

General Manager's Health Insurance	25,052	11	2,249	1,374	116	37.54%
Transfer & Training	29,508	20	1,344	222	75	24.27%
Other Income/Expense	6,900	(6,729)	(127)	0	246	79.61%
EBITDA (in dollar amounts)	~~627,241~~626,678	(~~54,641~~57,023)	~~126,982~~125,720	105,268	~~136~~ 133	~~44.01~~43.04%

The notes below are an integral part of this Unit Financial Data Document.

ALL OF THE 309 UNITS WITH AVERAGE MONTHLY NET SALES IN THE TOP 25 PERCENT AND OPEN ALL OF 2022 A TOTAL OF 77 RESTAURANTS (See the notes below)						
NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	~~2,198,841~~2,198,235	~~1,024,084~~1,023,591	~~1,251,947~~1,250,964	~~1,189,956~~1,187,454	30	38.96%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	558,279	218,753	310,108	299,378	30	38.96%
Wages	393,145	153,252	237,301	228,608	32	41.56%
Payroll Taxes	36,058	14,362	21,945	21,677	32	41.56%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	55,071	11,019	~~29,625~~29,611	29,770	39	50.65%
Promotion and Discount	26,838	4,177	10,607	9,715	33	42.86%
Printing	2,612	52	453	574	43	55.84%
Permits & Licenses	2,241	80	470	410	35	45.45%
Maintenance & Repair	31,350	5,692	12,650	11,680	33	42.86%
Laundry & Uniforms	6,064	809	2,214	1,913	35	45.45%
Food Prep. Supplies	24,457	53	1,680	940	20	25.97%
Utilities	38,193	15,485	23,105	22,587	33	43.42%
Royalty	~~147,942~~147,870	~~62,885~~62,863	~~97,136~~97,059	~~94,589~~94,573	31	40.26%
Office Supplies	7,347	16	609	418	31	40.26%
Rent	100,266	17,217	52,613	51,423	37	48.05%
Accounting/Legal	19,647	1,978	6,493	5,928	19	24.68%
Delivery	133,977	20,633	50,567	47,415	31	40.26%
Technology	5,469	1,446	3,118	3,162	41	53.25%
Bank Service Charges	65,716	15,340	21,092	19,978	25	32.47%
General Insurance	22,080	214	2,873	2,435	18	23.38%
Personal Property Tax	5,718	428	1,930	1,496	36	46.75%
Cash Short & Over	5,735	10	581	225	20	25.97%
Employee Benefits – Other	24,920	150	5,992	4,243	29	37.66%
Recruitment Fees	3,000	145	633	406	63	81.82%
Miscellaneous	11,661	9	1,460	1,054	33	42.86%
Operating Income (in dollar amounts)	~~820,702~~820,139	196,933	~~356,692~~355,801	339,448	34	44.16%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining**	

					or Surpassing Annual Average	
General Manager's Salary	196,500	37,561	83,573	80,272	32	41.56%
General Manager's Payroll Tax	14,932	1,140	6,549	6,303	33	42.86%
General Manager's Health Insurance	15,975	0	2,644	2,211	26	33.77%
Transfer & Training	29,508	25	1,302	515	19	24.68%
Other Income/Expense	949	(2,573)	(71)	0	49	63.64%
EBITDA (in dollar amounts)	~~627,241~~626,678	~~34,295~~34,286	~~262,696~~261,805	~~243,325~~242,705	32	41.56%

The notes below are an integral part of this Unit Financial Data Document.

ALL OF THE 309 UNITS WITH AVERAGE MONTHLY NET SALES IN THE MIDDLE 50 PERCENT AND OPEN ALL OF 2022
A TOTAL OF 155 RESTAURANTS (See the notes below)

NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	~~1,020,511~~1,019,771	~~611,747~~611,510	~~798,859~~797,153	~~787,909~~786,222	~~71~~72	~~45.81~~46.45%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	293,071	139,256	202,159	197,594	69	44.52%
Wages	259,027	67,322	158,656	158,638	77	49.68%
Payroll Taxes	29,465	6,443	15,667	15,237	66	42.58%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	37,556	7,423	~~19,761~~19,698	~~19,726~~19,725	~~76~~78	~~49.03~~50.32%
Promotion and Discount	19,419	3,912	9,399	8,960	72	46.45%
Printing	2,664	19	244	0	54	34.84%
Permits & Licenses	4,009	19	514	408	45	29.03%
Maintenance & Repair	35,276	2,493	11,723	10,359	60	38.71%
Laundry & Uniforms	5,938	388	2,186	1,900	62	40.00%
Food Prep. Supplies	14,227	23	1,134	802	46	29.68%
Utilities	41,884	14,853	23,885	23,289	88	56.77%
Royalty	~~81,641~~81,582	~~37,068~~38,868	~~62,396~~62,263	~~62,898~~62,747	79	50.97%
Office Supplies	4,472	14	761	507	57	36.77%
Rent	88,723	22,154	46,741	46,596	77	49.68%
Accounting/Legal	35,672	652	5,544	4,835	62	40.00%
Delivery	81,061	3,078	33,853	32,527	70	45.16%
Technology	6,712	1,925	3,233	3,072	57	36.77%
Bank Service Charges	21,847	9,492	14,118	13,880	73	47.10%
General Insurance	10,731	214	2,969	2,331	58	37.42%
Personal Property Tax	6,953	14	1,230	1,106	70	45.16%
Cash Short & Over	9,799	1	742	358	45	29.03%
Employee Benefits – Other	20,827	20	2,553	1,402	51	32.90%
Recruitment Fees	4,175	24	653	290	95	61.29%
Miscellaneous	14,710	8	1,004	555	50	32.26%
Operating Income (in dollar amounts)	354,609	62,819	~~177,733~~175,933	~~173,915~~173,296	75	48.39%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	

General Manager's Salary	133,608	0	59,324	58,006	70	45.16%
General Manager's Payroll Tax	10,306	0	5,044	5,028	73	47.10%
General Manager's Health Insurance	25,052	11	2,442	1,430	62	40.00%
Transfer & Training	10,206	0	1,278	50	37	23.87%
Other Income/Expense	6,900	(6,729)	(144)	0	127	81.94%
EBITDA (in dollar amounts)	268,475	(2,7206,162)	109,790107,996	106,009106,000	75 76	48.3949.03%

The notes below are an integral part of this Unit Financial Data Document.

ALL OF THE 309 UNITS WITH AVERAGE MONTHLY NET SALES IN THE BOTTOM 25 PERCENT AND OPEN ALL OF 2022
A TOTAL OF 76 RESTAURANTS (See the notes below)

NET SALES (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
	611,540610,263	179,379176,799	512,709511,357	528,951527,510	44	57.14%
Controllable Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Food and Paper	179,597	50,786	135,899	137,608	40	51.95%
Wages	168,830	47,512	109,016	107,729	37	48.05%
Payroll Taxes	20,179	4,426	11,005	10,711	36	46.75%
Overhead Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
Advertising	25,487	5,9645,913	13,98814,034	13,65813,810	33 34	42.8644.16%
Promotion and Discount	21,623	1,334	7,342	6,505	30	38.96%
Printing	1,907	45	298	0	18	23.38%
Permits & Licenses	1,827	10	474	425	29	37.66%
Maintenance & Repair	25,890	3,417	10,091	9,252	31	40.26%
Laundry & Uniforms	5,765	512	1,826	1,623	24	31.17%
Food Prep. Supplies	13,086	46	781	516	24	31.17%
Utilities	30,967	12,228	22,095	22,539	44	57.14%
Royalty	44,812	7,7227,643	29,00228,738	30,54030,319	4342	55.8454.55%
Office Supplies	5,363	4	684	416	25	32.47%
Rent	84,080	15,732	43,513	40,396	33	42.86%
Accounting/Legal	10,869	542	4,619	4,081	31	40.26%
Delivery	47,521	607	20,429	20,595	39	50.65%
Technology	7,377	1,489	3,262	3,115	35	45.45%
Bank Service Charges	16,266	3,837	9,969	9,986	40	51.95%
General Insurance	8,246	1,297	2,999	2,424	30	38.96%
Personal Property Tax	5,615	95	810	607	36	46.75%
Cash Short & Over	7,919	0	430	189	24	31.17%
Employee Benefits – Other	13,261	11	1,352	207	24	31.17%
Recruitment Fees	2,749	24	594	145	31	40.26%
Miscellaneous	13,939	27	1,068	684	27	35.06%
Operating Income (in dollar amounts)	163,038159,860	(24,32226,704)	81,16480,615	83,39180,357	3938	50.6549.35%
Other Costs (in dollar amounts)	**ANNUAL HIGHEST**	**ANNUAL LOWEST**	**ANNUAL AVERAGE**	**ANNUAL MEDIAN**	**Number and Percentage of Restaurants Attaining or Surpassing Annual Average**	
General Manager's Salary	78,943	21,067	48,332	47,381	34	44.16%
General Manager's Payroll Tax	6,012	1,700	4,118	4,045	36	46.75%
General Manager's Health	7,210	88	1,466	300	29	37.66%

Insurance						
Transfer & Training	8,750	133	1,519	600	21	27.27%
Other Income/Expense	727	(2,162)	(146)	0	66	85.71%
EBITDA (in dollar amounts)	~~92,762~~89,584	(~~54,641~~57,023)	~~25,876~~25,312	~~29,549~~29,098	~~41~~ 42	~~53.25~~54.55%

The notes below are an integral part of this Unit Financial Data Document.

UNIT ECONOMICS 2022						
	Average NET Sales	Operating Income*	Operating Income (as a % of Average NET Sales)	Average General Manager Compensation**	EBITDA***	EBITDA %
Bottom 25% of Net Sales	~~$512,709~~51 1,357	~~$81,164~~80, 615	15.8%	~~$53,915~~53,849	~~$25,876~~25,312	5.0%
Middle 50% of Net Sales	~~$798,859~~79 7,153	~~$177,733~~1 75,933	~~22.2~~22.1%	~~$66,809~~66,843	~~$109,790~~107, 996	~~13.7~~13.5%
Top 25% of Net Sales	~~$1,251,947~~1 ,250,964	~~$356,692~~3 55,801	~~28.5~~28.4%	$92,766	~~$262,696~~261, 805	~~21.0~~20.9%
AVERAGE	~~$840,458~~83 9,021	~~$198,264~~1 97,002	~~23.6~~23.5%	$70,064	~~$126,982~~125, 720	~~15.1~~15%

** Operating Income before owner's draw, General Manager salary, General Manager benefits, General Manager payroll taxes, other taxes, interest, depreciation and amortization expenses*

*** Average General Manger Compensation includes General Manger salary, General Manager ben General Manager payroll taxes*

**** EBITDA is an acronym for the earnings before taxes, interest, depreciation, amortization exper compensation paid to any owner or owner's draw*

The notes below are an integral part of this Unit Economics 2022 document.

NOTES TO THE 2022 UNIT FINANCIAL DATA DOCUMENTS

1. The data shown on the "*All 309 Units Open all of 2022*" Document, the "*All Units (Out of 309) With Average Monthly Net Sales in Top 25 Percent and Open All of 2022*" the "*All Units (Out of 309) With Average Monthly Net Sales in Middle 50 Percent and Open All of 2022*" Document, the "*All Units (Out of 309) With Average Monthly Net Sales in Bottom 25 Percent and Open All of 2022*" Document, and the "*Unit Economics 2022*" Document represents the actual results obtained by 309 Restaurants which were in operation all of calendar year including the one (1) company-owned Restaurant. The data shown on those Unit Financial Data Documents includes 22 freestanding Restaurants and 287 in-line Restaurants. The average freestanding Restaurant sales were ~~$1,121,956~~1,121,399 with 12 freestanding Restaurants, or 55%, above the average of ~~$1,121,956,~~1,121,399, and 10 freestanding Restaurants, or 45%, below the average. The Restaurant locations in the Unit Financial Data Documents breakdown as follows:

Numbers of Restaurants	**Restaurant Location Breakdowns:**
1	Atlanta, Georgia area
1	Bowling Green, Kentucky area
6	Champaign & Springfield-Decatur, Illinois area
10	Charleston / Huntington, West Virginia area (including Ashland, Kentucky)
7	Charlotte, North Carolina area (including Rock Hill, South Carolina)
1	Chattanooga, Tennessee area
3	Chicago, Illinois / Northern Indiana area
49	Greater Cincinnati, Ohio area
31	Greater Cleveland, Ohio area (including Akron & Canton, Ohio)
1	Columbia-Jefferson City, Missouri area
14	Columbus, Ohio area
15	Greater Dayton, Ohio area
1	Richmond, Indiana area
11	Greater Detroit, Michigan area
4	Grand Rapids / Kalamazoo / Battlecreek, Michigan area
7	Evansville, Indiana area (including Owensboro and Henderson, Kentucky)
4	Ft. Wayne, Indiana area
3	Greensboro, North Carolina area
29	Greater Indianapolis, Indiana area (including Bloomington, Bedford and Lebanon, Indiana)
2	Lafayette, Indiana area
14	Greater Lexington, Kentucky area (including Somerset, Frankfort, and Morehead Kentucky)
23	Greater Louisville, Kentucky area (including Bardstown, Radcliff and Elizabethtown, Kentucky; Jeffersonville and New Albany, Indiana)
1	Kansas City, Kansas area
3	Knoxville, Tennessee area
2	Lansing, Michigan area
13	Nashville, Tennessee area
2	Omaha, Nebraska area
4	Paducah, Kentucky area
1	Parkersburg, West Virginia area
7	Pittsburgh, Pennsylvania area
6	Raleigh, North Carolina area
3	Richmond, Virginia area

compensation paid to any franchisee owner or any franchisee owner's draw, (e) any employee benefits (*e.g.,* health insurance) for franchisee's owners, or (f) multi-unit expenses.

Other than the financial performance representations contained in this Item 19, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Craig N. Dunaway, 1226 US Highway 50, Milford, Ohio 45150, (513) 474-5957, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

ITEM 20 TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2020 TO 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	306	309	+3
	2021	309	311	+2
	2022	311	318	+7
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	307	310	+3
	2021	310	312	+2
	2022	312	319	+7

ITEM 20 TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2020 TO 2022

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Georgia	2020	0
	2021	1
	2022	0
Illinois	2020	0
	2021	6
	2022	0

ADDENDUM TO UNIT FRANCHISE AGREEMENT
FOR PENN STATION RESTAURANT

This Addendum to the Unit Franchise Agreement for Penn Station Restaurant (this "Addendum") is attached to and made a part of the Unit Franchise Agreement for Penn Station Restaurant dated _____, 20__ (the "Franchise Agreement"), by and between Penn Station, Inc. ("Penn Station") and _____, a _____ the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Penn Station and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically amended by this Addendum, all terms of the Franchise Agreement are ratified and confirmed and remain in full force and effect. The Franchise Agreement, as amended by this Addendum, will be construed as one agreement.

4. Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Section 5.2.4 of the Franchise Agreement is hereby amended in its entirety by substituting in its stead the following:

"**5.2.4 Sign Franchise Agreement; Guaranty**. Each Owner of Franchisee must sign and be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3 and 24.5. In addition to the Managing Owner, Penn Station may require certain of Franchisee's other Owners to guarantee all of the obligations of Franchisee under this Agreement and each other franchise agreement between Franchisee and Penn Station. The form of the guaranty is

attached as Exhibit C. If any person who has executed a guaranty in favor of Penn Station dies, Penn Station may require replacement guaranties satisfactory to it."

~~5.~~6. Sections 12.4.3, 12.4.4, and 12.4.5 of the Franchise Agreement are hereby amended in their respective entireties by substituting in their respective steads the following:

"**12.4.3 Ownership**. The persons who will be (i) the Owners of the Proposed Purchaser of the properties of Franchisee (including the Franchised Business) or, as applicable, (ii) the Proposed Purchasers, directly or indirectly, of the interests of Franchisee's Owners (on consummation of the purchase of the then Owners' interests) must, in each instance, (a) demonstrate to Penn Station's sole satisfaction that (1) they each are qualified to be Owners of Franchisee in compliance with this Agreement, (2) none of them has been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials, and (3) they, together, have adequate financial resources, credit, business experience, and capital and (b) sign (and on Penn Station's request, cause all interested parties to sign) an agreement, in a form satisfactory to Penn Station, assuming and agreeing to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5. In addition, the ownership structure and percentage ownership of the Owners of the Proposed Purchaser (or that of the persons who purchase Franchisee's then Owners' interests) must be acceptable to Penn Station;

12.4.4 Managing Owner. There cannot be a change in the person who is the Managing Owner without Penn Station's prior consent. If there is a new person proposed to be the Managing Owner, then the new person must (i) demonstrate to Penn Station's sole satisfaction that he (a) meets Penn Station's then current standards for managing owners, (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials, and (c) has the aptitude and ability (as may be evidenced by related restaurant and business experience or otherwise) to be the Managing Owner; (ii) meet the conditions of Section 5.2; (iii) (a) personally guarantee the obligations of Franchisee under this Agreement and each other applicable franchise agreement between Franchisee and Penn Station and (b) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other applicable franchise agreement between Franchisee and Penn Station; and (iv) complete to Penn Station's satisfaction, at the Proposed Purchaser's expense, the Training Program then in effect. In addition to clauses (i) through (iv) of this Section 12.4.4, Penn Station must be paid its then current training fee by the 10th day of the calendar month immediately following the calendar month in which the new person finished their training to cover, in part, Penn Station's cost to provide the Training Program to the new person;

12.4.5 Operations Director. There cannot be a change in the person who is the Operations Director (if applicable) without Penn Station's prior consent. If there is a new person proposed to be the Operations Director, then the new person must (i) demonstrate to Penn Station's sole satisfaction that he (a) is qualified to be an Operations Director in compliance with this Agreement and (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or

Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials; (ii) meet the conditions of Section 5.2; (iii) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other applicable franchise agreement between Franchisee and Penn Station and must sign the Operations Director Non-Compete Agreement; and (iv) be properly trained by the Managing Owner (subject to verification by Penn Station in accordance with this Agreement). In addition to clauses (i) through (iv) of this Section 12.4.5, Penn Station must be paid its then current training fee, upon receipt of Penn Station's request for payment therefor, following its verification of the training of the new Operations Director;"

~~6.~~7. Section 12.4.8 of the Franchise Agreement is hereby amended in its entirety by substituting in its stead the following:

"**12.4.8 Designated Owner**. There cannot be a change in the person who is the Designated Owner without Penn Station's prior consent. If there is a new person proposed to be the Designated Owner, then the new person must (i) demonstrate to Penn Station's sole satisfaction that he (a) meets Penn Station's then current standards for Designated Owners and (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials; (ii) meet the conditions of Section 5.2; (iii) (a) personally guarantee the obligations of Franchisee under this Agreement and each other applicable franchise agreement between Franchisee and Penn Station and (b) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other applicable franchise agreement between Franchisee and Penn Station; and (iv) complete to Penn Station's satisfaction, at the Proposed Purchaser's expense, the Training Program then in effect for Designated Owners, and Penn Station must be paid its then current training fee by the 10th day of the calendar month immediately following the calendar month in which the new person finished their training to cover, in part, Penn Station's cost to provide the Training Program to the new person."

~~7.~~8. Sections 12.5.2 and 12.5.3 of the Franchise Agreement are hereby amended in their respective entireties by substituting in their respective steads the following:

"**12.5.2 Managing Owner**. If, as a result of the New Owner Transfer, a new person will purchase the interest of, or otherwise become, the new "Managing Owner", then the new person must (i) demonstrate to Penn Station's sole satisfaction that he (a) meets Penn Station's then current standards for managing owners, (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials, and (c) has the aptitude and ability (as may be evidenced by related restaurant and business experience or otherwise) to be the Managing Owner; (ii) meet the conditions of Section 5.2; (iii) (a) personally guarantee the obligations of Franchisee under this Agreement and each other applicable franchise agreement between Franchisee and Penn Station and (b) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other applicable franchise agreement between Franchisee and Penn Station; and (iv) complete to Penn Station's satisfaction, at Franchisee's expense, the Training Program then in effect. In addition to clauses (i) through (iv) of this Section 12.5.2, Penn Station must be paid its then current training fee by the 10th day of

the calendar month immediately following the calendar month in which the new person finished their training to cover, in part, Penn Station's cost to provide the Training Program to the new person;

12.5.3 Operations Director. If, as a result of the New Owner Transfer, a new person will purchase the interest of, or otherwise become, the new "Operations Director", then the new person must (i) demonstrate to Penn Station's sole satisfaction that he (a) is qualified to be an Operations Director in compliance with this Agreement and (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials; (ii) meet the conditions of Section 5.2; (iii) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other applicable franchise agreement between Franchisee and Penn Station and must sign the Operations Director Non-Compete Agreement; and (iv) be properly trained by the Managing Owner (subject to verification by Penn Station in accordance with this Agreement). In addition to clauses (i) through (iv) of this Section 12.5.3, Penn Station must be paid its then current training fee, upon receipt of Penn Station's request for payment therefor, following its verification of the training of the new Operations Director;"

~~8.~~9. Section 12.5.5 of the Franchise Agreement is hereby amended in its entirety by substituting in its stead the following:

"**12.5.5 Sign Agreement; Compliance**. Each new Owner must sign an agreement, in a form satisfactory to Penn Station, agreeing to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3 and 24.5, and all other terms of this Agreement applicable to the Transfer and to the Persons involved in the Transfer (including Section 12.10) have been met; and"

~~9.~~10. Section 12.5.7 of the Franchise Agreement is hereby amended in its entirety by substituting in its stead the following:

"**12.5.7 Designated Owner**. If, as a result of the New Owner Transfer, a new person will purchase the interest of, or otherwise become, the new "Designated Owner", then (i) the new person must demonstrate to Penn Station's sole satisfaction that he (a) meets Penn Station's then current standards for Designated Owners, (b) has not been convicted of a felony, a crime involving moral turpitude or any other crime or offense that is reasonably likely, in the sole opinion of Penn Station, to adversely affect the System, the Marks, the Copyrighted Materials, the goodwill associated with the Marks or Copyrighted Materials or Penn Station's interests in the Marks or Copyrighted Materials, and (c) meets the conditions of Section 5.2; (ii) the new person must (a) personally guarantee the obligations of Franchisee under this Agreement and each other franchise agreement between Franchisee and Penn Station and (b) agree to be bound by Sections 5.1.5, 5.4, 12.9, 15, 20.3, and 24.5 and each other franchise agreement between Franchisee and Penn Station; (iii) the new person must complete to Penn Station's satisfaction, at Franchisee's expense, the Training Program then in effect for Designated Owners; and (iv) Franchisee must pay to Penn Station its then current training fee by the 10th day of the calendar month immediately following the calendar month in which the new person finished their training to cover, in part, Penn Station's cost to provide the Training Program to the new person."

~~10. Section 21.2 of the Franchise Agreement is hereby deleted in its entirety.~~

11. Section 24.1 of the Franchise Agreement is hereby amended in its entirety by substituting in its stead the following:

> "**24.1 Illinois Law and the Illinois Franchise Disclosure Act**. This Agreement, which takes effect when it is signed by Penn Station in Ohio, will be interpreted and construed under the internal laws of Illinois, except to the extent this Agreement is governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*). If any provisions of this Agreement are inconsistent with applicable Illinois law, then Illinois law shall apply and govern the parties hereto. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in this Agreement that designates jurisdiction or venue outside the State of Illinois is void. Section 41 of the Illinois Franchise Disclosure Act provides that 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. Franchisee's rights upon termination and non-renewal of this Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act."

12. Sections 24.4 and 25 of the Franchise Agreement are hereby deleted in their entireties. 13. This Addendum, together with the Franchise Agreement to which it is attached, contains the entire agreement between Franchisee and Penn Station. No amendment may be made nor shall any amendment be valid except in a written agreement signed by both Franchisee and Penn Station.

14. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee or licensee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

State of Illinois

ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Addendum to the Multi-Unit Development Agreement (this "Addendum") is attached to and made a part of the Multi-Unit Development Agreement dated _____, 20__ (the "Multi-Unit Agreement"), by and between Penn Station, Inc. ("Penn Station") and _____, a _____ the principal place of business of which is located at _____ ("You"), dated as of _____, for the purpose of modifying and amending the terms of the Multi-Unit Agreement. For such purpose, Penn Station and You agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Multi-Unit Agreement.

2. In the event of a conflict between the terms of the Multi-Unit Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically amended by this Addendum, all terms of the Multi-Unit Agreement are ratified and confirmed and remain in full force and effect. The Multi-Unit Agreement, as amended by this Addendum, will be construed as one agreement.

4. ~~Section 12 of~~Notwithstanding anything in the Multi-Unit Agreement ~~is hereby amended by the deletion of the first sentence in that Section.~~to the contrary:

   Illinois law governs the Multi-Unit Agreement.

   In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~5. Section 18 of the Multi-Unit Agreement is hereby amended in its entirety by substituting in its stead the following:~~

   Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

   In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

   ~~18. This Agreement, which takes effect when it is signed by Penn Station in Ohio, will be interpreted and construed under the internal laws of the laws of Illinois (without regard to Illinois conflicts of laws principles).~~

~~6. Section 19 of the Multi-Unit Agreement is hereby amended in its entirety by substituting in its stead the following:~~

   ~~19. Any condition, situation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of~~

~~Illinois, is void.~~No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. This Addendum, together with the Multi-Unit Agreement to which it is attached, contains the entire agreement between You and Penn Station with respect to the subject matter thereof. No amendment may be made nor shall any amendment be valid except in a written agreement signed by both You and Penn Station. Notwithstanding the foregoing, nothing in the Multi-Unit Agreement or this Addendum is intended to disclaim the express representations made in the Franchise Disclosure Document.

~~8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee or licensee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

IN WITNESS WHEREOF, the parties to this Addendum have fully executed and delivered this Addendum to be effective as of the date of the Multi-Unit Agreement.

_____
(Name of Developer Party to Multi-Unit Agreement)

By: _____
Name Printed: _____
Title: _____
Date: _____

Developer Owners:

_____
Individually
Name Printed:_____
Date:_____

_____
Individually
Name Printed:_____
Date:_____

PENN STATION, INC.

ADDENDUM TO PENN STATION, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

1. ~~The Special Risks to Consider about This Franchise set forth on the Uniform Franchise Disclosure Document State cover page of this disclosure document are hereby modified to designate Illinois law as governing your Franchise Agreement and to set Illinois as the venue for claims arising with respect to your Franchise Agreement.~~Item 17 of the disclosure document is hereby modified by adding the following immediately below each table in Item 17:

~~2. Item 17 of the disclosure document is hereby modified as follows:~~

~~(a) by substituting the following in place of the last two items of the chart regarding the Franchise Agreement:~~

~~PROVISION~~	~~SECTION IN FRANCHISE AGREEMENT~~	~~SUMMARY~~
~~v. Choice of forum~~	~~None.~~	
~~w. Choice of law~~	~~Section 24.1~~	~~Illinois law applies.~~

~~and by adding the following paragraph to the end thereof:~~

"Section 4 of the Illinois Franchise Disclosure Act sets forth that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

"With respect to item "w. Choice of law" in the table above, Illinois law applies."

"Your rights upon termination and non-renewal of your Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.".

~~(b) by substituting the following in place of the last two items of the chart regarding the Single Unit Development Agreement:~~

~~PROVISION~~	~~SECTION IN SINGLE UNIT DEVELOPMENT AGREEMENT~~	~~SUMMARY~~
~~v. Choice of forum~~	~~None~~	
~~w. Choice of law~~	~~Section 18~~	~~Illinois law applies.~~

~~and by adding the following paragraph to the end thereof:~~

~~"Your rights upon termination and non-renewal of your Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.".~~

~~(c) by substituting the following in place of the last two items of the chart regarding the Multi-Unit Agreement:~~

~~PROVISION~~	~~SECTION IN MULTI UNIT AGREEMENT~~	~~SUMMARY~~
~~v. Choice of forum~~	~~None~~	
~~w. Choice of law~~	~~Section 18~~	~~Illinois law applies.~~

~~and by adding the following paragraph to the end thereof:~~

~~"Your rights upon termination and non-renewal of your Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.".~~

~~3.~~2. Section 41 of the Illinois Franchise Disclosure Act provides that 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.

~~4.~~3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee or licensee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

GENERAL RELEASE OF ALL CLAIMS (WASHINGTON)

This General Release Of All Claims ("General Release") is made effective this _____ day of _____, 20___. As a requirement of, and in consideration for, the willingness on the part of Penn Station, Inc., an Ohio corporation (including any successor or assign thereof, "Penn Station"), to renew the franchise established by the Unit Franchise Agreement, dated _____ ("Franchise Agreement") as requested by the undersigned ("Franchisee"), and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchisee hereby unconditionally and forever RELEASES and DISCHARGES Penn Station, any person acting by, through, under or on behalf of Penn Station, and its past and present shareholders, officers, directors (or managers), employees, successors, assigns, agents, and affiliates from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions, and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement or any other agreement or document executed by Franchisee and Penn Station (or any affiliate of Penn Station), the franchise relationship, any franchise disclosure document or any other prior or existing business relationship between Franchisee and Penn Station (or any affiliate of Penn Station) which Franchisee has asserted, may have asserted or could have asserted against Penn Station (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, the franchise laws, the business opportunity laws, and all claims arising from any contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and all acts of negligence, whether active or passive.

This General Release shall survive the assignment, expiration or termination of the Franchise Agreement or any other agreement entered into by and between Penn Station (or any corporate affiliate of Penn Station) and Franchisee. This General Release is not intended as a waiver of those rights of Franchisee which cannot be waived under applicable state franchise laws. This General Release does not apply to claims by the undersigned that arise under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder. Franchisee acknowledges and agrees that certain of its obligations as provided in Article 14 of the of the Franchise Agreement, in addition to those other obligations of Franchisee which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement.

_____ FRANCHISEE:

_____

ATTEST:

_____ _____ By: _____

_____ Printed Name: _____

Title: _____

State of Illinois

ADDENDUM TO SINGLE-UNIT DEVELOPMENT AGREEMENT

This Addendum to the Single-Unit Development Agreement (this "Addendum") is attached to and made a part of the Single-Unit Development Agreement dated _____, 20__ (the "Single-Unit Development Agreement"), by and between Penn Station, Inc. ("Penn Station") and _____, a _____ the principal place of business of which is located at _____ ("You"), dated as of _____, for the purpose of modifying and amending the terms of the Single-Unit Development Agreement. For such purpose, Penn Station and You agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Single-Unit Development Agreement.

2. In the event of a conflict between the terms of the Single-Unit Development Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically amended by this Addendum, all terms of the Single-Unit Development Agreement are ratified and confirmed and remain in full force and effect. The Single-Unit Development Agreement, as amended by this Addendum, will be construed as one agreement.

4. ~~Section 12 of~~Notwithstanding anything in the Single-Unit Development Agreement ~~is hereby amended by the deletion of the first sentence in that Section.~~to the contrary:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Section 18 of the Single-Unit Development Agreement is hereby amended in its entirety by substituting in its stead the following:

> 18. This Agreement, which takes effect when it is signed by Penn Station in Ohio, will be interpreted and construed under the internal laws of the laws of Illinois (without regard to Illinois conflicts of laws principles).

6. Section 19 of the Single-Unit Development Agreement is hereby amended in its entirety by substituting in its stead the following:

> 19. Any condition, situation 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.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee or licensee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. 8. This Addendum, together with the Single-Unit Development Agreement to which it is attached, contains the entire agreement between You and Penn Station with respect to the subject matter thereof. No amendment may be made nor shall any amendment be valid except in a written agreement signed by both You and Penn Station. Notwithstanding the foregoing, nothing in the Single-Unit Development Agreement or this Addendum is intended to disclaim the express representations made in the Franchise Disclosure Document.

{*Signature Page Follows*}

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~Pending~~April 26, 2023
Hawaii	~~Pending~~April 22, 2023
Illinois	~~Pending~~April 28, 2023
Indiana	Pending
Michigan	~~Pending~~August 27, 2022, as amended March 31, 2023, as amended May 18, 2023
Minnesota	~~Pending~~May 15, 2023
New York	Pending
North Dakota	~~Pending~~May 4, 2023
Rhode Island	~~Pending~~April 23, 2023
South Dakota	~~Pending~~April 14, 2023
Virginia	~~Pending~~May 7, 2023
Washington	Pending
Wisconsin	~~Pending~~April 14, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Copy 1

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Penn Station offers you a franchise, Penn Station 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 any affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Penn Station 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit I.

Penn Station, Inc. and Ammy Harrison, Vice President of Development and Strategy, as well as the other individuals listed on the attached page, each having a principal business office at 1226 US Highway 50, Milford, Ohio 45150, and a telephone number of (513) 474-5957, are the franchise sellers.

The issuance date of this disclosure document is March 31, 2023, as amended May 18, 2023.

Penn Station authorizes the agents listed on Exhibit I to receive service of process for Penn Station.

I received a disclosure document dated March 31, 2023, as amended May 18, 2023 that included the following exhibits:

A. Unit Franchise Agreement
B. Multi-Unit Guidelines
C. General Manager Guidelines
D. List of Penn Station Franchisees
E. Financial Statements
F. Free-Standing Store Lease
G. Lease Addendum
H. Multi-Unit Agreement
I. State Administrator and Agents for Service List
J. State Addenda to Disclosure Document
K. General Release of All Claims
L. Single-Unit Development Agreement
M. Direct Debit Authorization Agreement
N. Non-Disclosure of Confidential Information Agreements

_____ _____

Date Prospective Franchisee

_____

Printed Name

Copy 2

RECEIPT

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I. State Administrator and Agents for Service List
J. State Addenda to Disclosure Document
K. General Release of All Claims
L. Single-Unit Development Agreement
M. Direct Debit Authorization Agreement
N. Non-Disclosure of Confidential Information Agreements

_____ _____

Date Prospective Franchisee

_____

Printed Name