FRANCHISE DISCLOSURE DOCUMENT

The franchisor's name is Heritage Restaurant Brands, LP It is a California limited partnership Its principal business address is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6092

A sample of the primary business trademarks [service marks] that the franchisee will use in its business, consisting of the words "Perko's Cafe Grill" and a flame between the words "Cafe" and "Grill", or "Perko's Farm Fresh" with a circle with the word Perko's in the upper half and a banner imposed over the lower half within which appear the words Farm Fresh, appears below ("Perko's Cafe Grill" and "Perko's Farm Fresh" hereinafter referred to as "Perko's)

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Department of
Business Oversight

The franchised business is a restaurant business serving breakfast, lunch, and dinner during the hours of 7 00 A M to 10 00 P M

The total investment necessary to begin operation of a "Perko's" franchise is between $300,000 00 and $750,750 00 This includes $35,000 00 that must be paid to the franchisor or affiliate

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or 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, 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 of this disclosure document is _____ 2017

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 D 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN SAN LUIS OBISPO COUNTY, CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IF YOU DO NOT LIVE IN CALIFORNIA IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW IF YOU DO NOT LIVE IN CALIFORNIA YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISOR HAS JUST BEGUN OFFERING FRANCHISES

4 THE FRANCHISOR IS A NEW ENTITY AND DOES NOT HAVE A LONG OPERATING HISTORY

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We do not use the services of FRANCHISE BROKERS, but we do use the services of one or more referral sources to assist us in selling our franchise The referral sources we use represent us, not you We pay these referral sources a fee for referring you to us You should be sure to do your own investigation of the franchise

Effective Date _____ , 2017

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, Rhone Island, South Dakota, Virginia, Washington and Wisconsin

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

Name of State	**Registration**	**Date**
California	Filed	Pending

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Exh B	Financial Statements
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Exh D	State Franchise Administrator
Exh E	List of Franchisees
Exh F	Appendix
Exh G	Receipt

Item 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The name of the franchisor is Heritage Restaurant Brands LP, a California limited partnership To simplify the language in this disclosure document, "HRB" means Heritage Restaurant Brands LP "You" means the person or the business entity who buys the franchise If you are a partnership, corporation, or other business entity, "you" includes your owners

The predecessor to HRB was BRG Franchising, Inc , formerly known as Dynaco Franchising, Inc BRG Franchising, Inc , changed its name by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014 Its predecessor is Brooks Restaurant Group, Inc , formerly known as Dynaco, Inc Dynaco, Inc changed its name by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014 Dynaco, Inc was formerly known as Perko's Enterprises, Inc Brooks Restaurant Group, Inc has operated "Perko's" restaurants since September, 1973, and it sold "Perko's" franchises from June, 1977, until October, 1991, when BRG Franchising, Inc , began selling "Perko's" franchises Brooks Restaurant Group, Inc , has operated "Cool Hand Luke's"" restaurants since December, 2004 BRG Franchising, Inc , began selling "Cool Hand Luke's" franchises in 2005 BRG Franchising, Inc , has sold over 100 coffee shop franchises BRG Franchising, Inc , also sold "Perko's" franchises

HRB acquired all rights to "Perko's Farm Fresh" and "Perko's Cafe Grill"" previously held by BRG Franchising, Inc , and Brooks Restaurant Group, Inc , in September of 2016 HRB also acquired all rights to the "Cool Hand Luke's Steakhouse/Saloon" and "Huckleberry's" brands previously held by BRG Franchising, Inc , and Brooks Restaurant Group, Inc , in September of 2016 HRB plans to franchise the "Cool Hand Luke's Steakhouse/Saloon" and "Huckleberry's" concepts

HRB's general partner is Heritage Restaurant Brands, LLC, a California limited liability company Heritage Restaurant Brands, LLC, does not operate restaurants of the type being offered Heritage CHL, LP, an affiliate of HRB, owns and operates restaurants of the type being franchised, but for the purposes of disclosure in this offering circular, HRB treats those restaurants as though they were company-owned You will conduct a restaurant business serving breakfast and lunch, and featuring many kinds of meats The general market is everyone who eats out Business is not seasonal In addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances The U S Food and Drug Administration, the U S Department of Agriculture, and state and local departments of health and other agencies have laws and regulations concerning the preparation and handling of food, the condition of restaurant facilities and the sale of alcoholic beverages State and local agencies routinely conduct inspections for compliance with these requirements Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory

guidelines, the national quality standards for ozone, carbon monoxide and particulate matters Certain provisions of these laws impose caps on emissions from commercial food preparation " Competition comes from other food service establishments

HRB is a California limited partnership that was formed in August of 2016 HRB does not presently do business under other names Its principal business address is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401 That is also the address of Heritage Restaurant Brands, LLC, Heritage CHL, LP, and HRB's agent for service of process, Gregory Graber

Heritage CHL, LP, owns and operates one "Cool Hand Luke's" restaurant Neither HRB, Heritage Restaurant Brands, LLC, nor Heritage CHL, LP has offered franchises in other lines of business

Item 2

BUSINESS EXPERIENCE

HRB is a limited partnership and its general partner is Heritage Restaurant Brands, LLC The following individuals will have a management responsibility relating to the sale or operation of franchises offered by this document

Gregory Graber

Gregory Graber is the Chief Executive Officer of HRB He is employed by and has been active in the restaurant operations of HRB, Heritage CHL, and Heritage Restaurant Brands LLC, since 2016 He was previously employed by and was active in the restaurant operations of Ovation Brands, serving as its Chief Operating Officer from 2012 to 2015, and as its Chief Executive Officer in 2015 His current duties include franchise management, as well as overall administration of HRB

John "Chip" Edward Anderson

John "Chip" Edward Anderson is the Chief Financial Officer of HRB He is employed by and has been active in the restaurant operations of HRB, Heritage CHL, and Heritage Restaurant Brands LLC, since 2016 He began his career with Ernst and Young in Dallas, TX, and most recently he was the owner of CenterPoint Strategic Solutions which offered outsourced CFO and consulting services to businesses His current duties include administration and overall financial management of HRB

David Richard Glennon

David Richard Glennon is the Chief Operating Officer of HRB He is employed by and has been active in the restaurant operations of HRB, Heritage CHL, and Heritage Restaurant Brands LLC, since October 2016 He was previously employed as the Director of Retail Operations of

Firestone Walker Brewing Company Prior to that David served from 2006 until 2015 with Tahoe Joe's Famous Steakhouse as the Divisional Vice President, His operational duties include brand development, oversight of franchisee compliance, purchasing, menu development & engineering, training and overall operational responsibility for corporate owned restaurants

Item 3

LITIGATION

No litigation is required to be disclosed in this disclosure document

Neither HRB, nor any person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 781a, etc , suspending or expelling such person from membership in such association or exchange

Item 4

BANKRUPTCY

HRB, Heritage CHL, LP, and Heritage Restaurant Brands, LLC, have not filed as a debtor under the United States Bankruptcy Code, have not obtained a discharge of its debts under the Bankruptcy Code, and have not been a principal officer of a company nor of a general partnership that has filed as a debtor or obtained a discharge of debts under the Bankruptcy Code

Gregory Graber, John Anderson, and David Glennon have not filed as a debtor under the United States Bankruptcy Code, have not obtained a discharge of its debts under the Bankruptcy Code, and have not been a principal officer of a company nor of a general partnership that has filed as a debtor or obtained a discharge of debts under the Bankruptcy Code

During the 10-year period immediately before the date of this disclosure document, HRB's predecessor Dynaco, Inc , filed as a debtor a petition under the United States Bankruptcy Code Dynaco, Inc , is the parent company of BRGF Dynaco, Inc , changed its name to Brooks Restaurant Group, Inc , following the filing

The current name, address, and principal place of business of the debtor is as follows Brooks Restaurant Group, Inc , 220 Five Cities Drive, Pismo Beach, California 93449 This address is both the address and principal place of business of the debtor

The date of the original filing and the material facts, including the bankruptcy court and case number are as follows The case was filed November 21, 2011, in the U S Bankruptcy Court for the Eastern District of California, as Case No 11-62472-A-11 The debtor sought to reorganize under Chapter 11 of the Bankruptcy Code The filing was brought about by the debtor's failure to abide by certain borrowing covenants in its agreements with WestAmerica

Bank, and the Bank's initiating foreclosure proceedings as a result thereof On September 5, 2012, the Bankruptcy Court approved the form of the debtor's Disclosure Statement and Reorganization Plan and ordered the same submitted to creditors for approval The Plan, as amended, was approved by creditors and confirmed by the Court on November 30, 2012 A final decree was entered in the case on August 15, 2013 Since the entry of the final decree, Brooks Restaurant Group, Inc has performed all of its obligations under the Plan, and the plan was completed as of December 31, 2015

Item 5

INITIAL FRANCHISE FEE

You must pay a $35,000 franchise fee for each franchised outlet when you sign your franchise agreement Sometimes, this fee is paid in installments or deferred until the franchised restaurant opens, if you need more time to pay it HRB may refund a portion of the initial franchise fee, after deducting up to $10,000 00 for training and other expenses that HRB has already incurred, if no location has been selected for your restaurant within 90 days of signing the franchise agreement

Item 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty [1 2 3 4]	Up to 5% of gross volume	Payable monthly on the 15th day of the next month	Gross Volume means all revenue from the restaurant, less tax
Administrative[1,2 4] contribution	Up to 1% of gross volume	Payable monthly on the 15th day of the next month	Gross Volume means all revenue from the restaurant, less tax
Transfer fee[1 2 4]	$25,000 00	Payable before certain transfers	Applies to all Transfers other than to controlled entities or upon death/disability
Late fee[1 2 4]	$100 00 per late payment	Immediately upon notice	Incurred upon failure to pay money due after 5 days notice
Non-Compliance Penalty[1 2 4]	$500 00	Failure to correct non-compliance within 10 days of written notice	Penalty is imposed for failing to remedy non-compliance within 10 days after being so notified

Audit Fees[1 2 4]	Cost of Audit	Upon Demand	You must pay the cost of the audit if the audit shows under reporting of 3% or more
Alternative Purveyors[4 5]	Cost of Testing	Upon Demand	Payable to franchisor or independent laboratory for review of alternative purveyor
Credit and Debit Card Fees[4 5]	Cost of Credit Card Processing	When Billed	Payable to processing vendor

[1] The fee is imposed by and payable to HRB

[2] The fee is non-refundable

[3] Administrative contributions are used by HRB to pay administrative expenses and to promote its trade name

[4] Fee is uniformly imposed

[5] Fee is imposed, but not collected by HRB

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial franchise fee	$35,000 [6]	Lump sum	At signing of franchise agreement	HRB
Training and living expenses	$15,000 - $25,000	As incurred	During training	Hotels, etc
Advance rent	$15,000 - $18,750 [7]	Lump sum	Before opening	Landlord
Excess construction costs & Tenant Improvement	$75,000 - $125,000	Lump sum or amortized over lease term	Before opening or over term of lease	Landlord or General Contractor

Equipment	$50,000 - $400,000 [8]	Lump sum or financed	Before opening or over term of financing	Designated Vendors
Liquor license	$12,000 or market value	Lump sum	Before opening	Transferring licensee or state agency
Misc Costs	$3,000 - $5,000[9]	Lump sum	As incurred	Suppliers, Etc
Opening inventory	$40,000 - $50,000[10]	Lump sum	COD or 30 days after delivery	Designated Vendors
Additional Funds for 3 months operations	$25,000- $50,000 [11]	Lump Sum	COD or 30 days after delivery	Designated Vendors
Architectural plans	Up to $30,000	Lump Sum	COD or 30 day terms	To Be Determined
Total	$300,000 - $750,750			

[6] See Item 5 for the conditions when this fee is partly refundable HRB does not finance any fee

[7] If you lease your restaurant directly from a landlord, you will probably have to pay the rent for the first month and a one month security deposit about 90 days before you take possession If you pay a landlord, this amount will be refundable if your lease says so Otherwise, the rent for the first month is not refundable, and the security deposit is refundable at the end of the sublease, if you have paid all the rent due Typical locations are commercial areas with residential areas close by The typical restaurant has 3,500 - 4,000 square feet Fixed rent is estimated between $180,000 - $225,000 per year, depending on factors such as size, condition and location of the leased premises

[8] Equipment, including signs, costs between $50,000 - $450,000 HRB will give you a complete description of all necessary equipment and a list of Designated Purveyors You must buy your equipment from a Designated Purveyor, but you may designate a vendor and if this vendor qualifies as a Designated Purveyor by HRB, you may purchase your equipment from that Designated Purveyor Many banks will lend up to 80% of the cost of new restaurant equipment, repayable over 5 years with interest at between 10-15% per annum Most vendors require a 20% down payment with the order and the balance at the time of delivery, which is usually during the 60 days before the restaurant opens If you finance 80% of your equipment, your monthly payment will be between $4,500 - $5,400, but may be higher, depending on the rate of interest charged Money paid to an equipment vendor is not refundable, unless your contract with the vendor says so If your restaurant location is already equipped, than your equipment costs will be

significantly reduced

[9] Miscellaneous costs include business license, sales tax permit, utility deposits, cost of insurance binders, sales tax bond, fictitious name statement filing and publication, building plans, etc These costs are not refundable

[10] HRB will give you a list of Designated Purveyors You must purchase your food, beverage and supply items used in your restaurant from a Designated Purveyor, but you may designate a vendor, and if this vendor qualifies as a designated Purveyor by HRB, you may purchase your food, beverage and supply items from that Designated Purveyor Some vendors will only sell COD to new businesses Most may allow up to 30 days from delivery for payment Money paid to food and supply vendors is usually not refundable

[11] When your restaurant opens, you will receive revenue from sales Since, in many cases, you will have 30 days to pay for your inventory, you can pay your operating expenses from your sales But if your business opens slowly, you may have to invest an additional $25,000 - $50,000 for payroll, taxes, advertising, insurance and other operating costs What you pay for these operating costs is not refundable HRB estimates these amounts and cannot guarantee that you will not have additional expenses starting the business Your expenses will depend on factors such as how much you follow HRB 's methods and procedures, your management skill, experience and business acumen, local economic conditions, competition, and the sales level reached during the initial period

General

These amounts are the minimum recommended levels to cover your operating expenses for 3 months However, we cannot guarantee that such an amount will be sufficient Additional working capital may be required if sales are low or fixed costs are high You should review these figures carefully with a business advisor before making any decision to purchase the franchise

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Neither HRB, its affiliates, nor its officer's owns an interest in any supplier No material benefits are provided to Franchisee based on the Franchisee's purchase of a particular product or service or the use of a particular product or service The Franchisor negotiates general purchase terms, including but not limited to pricing, with Designated Purveyors

Real Estate

You are solely responsible for locating your Restaurant site, subject to our acceptance Unless we notify you in writing that the proposed site is acceptable within 30 days after you have submitted a

site review request (or 15 days after receipt of additional information which we request), the site will be deemed rejected

Your restaurant premises must be maintained in strict compliance with regard to appearance and format as a "Perko's" restaurant and be used exclusively for the operation of a "Perko's" restaurant and for no other purpose, Be kept in good repair and maintained at all times by the Franchisee in a clean, neat and attractive manner in accordance with standards set out by the Franchisor, and Not be altered or changed in appearance or characteristics without the prior written consent of the Franchisor, and this prohibition shall apply to any and all additions or replacements of equipment, floor coverings, coverings, signs and exterior and interior decor in the Restaurant

Merchandise, Materials, Supplies and Services

When you sign your Franchise Agreement, HRB will give you a list of Designated Purveyors from whom you must purchase all of your restaurant equipment, food, beverage and supply items used in the operation and maintenance of your restaurant HRB will negotiate purchase terms with designated purveyors, including price terms, however you are responsible for ordering supplies and stocking the restaurant HRB will periodically update its list of Designated Purveyors and furnish you updated lists, not less frequently than every six months HRB has no financial interest or ownership interest in any Designated Purveyor, nor shall it receive any undisclosed rebates If you give HRB notice sufficiently in advance to permit vendor and specification verification and testing, that you wish to purchase equipment, food, beverage or supplies from reputable, dependable sources other than HRB 's Designated Purveyors, HRB will not unreasonably withhold the prompt approval of such vendor as a Designated Purveyor from whom you may purchase goods, provided the goods conform to the appearance, quality, size or portion, and where applicable, taste, and uniformity standards and other of HRB 's specifications HRB may require that samples from alternative vendors be delivered to it or to an independent testing laboratory designated by HRB for testing before approval and use You may have to pay a charge not to exceed the actual cost of the test, incurred to test the products of any vendor you wish to have approved as a Designated Purveyor

We and our affiliates participate in a marketing program sponsored by The Coca-Cola Company or its affiliates You must participate in the program and purchase Coca-Cola post-mix soft drink products and certain other beverages and products, such as Minute Maid Juice and Gold Coast Coffee and Tea for use at your location You may purchase these products from the designated purveyor Coca-Cola Fountain or its affiliates will pay us or our affiliates amounts based on purchases by each franchisee Sysco of Central California is the Designated Purveyor There are several designated manufacturers that produce products that are delivered to Franchisees through Sysco, Central California For some purveyors, including Sysco, HRB will receive an amount of up to 3% (three percent) for goods purchased by the franchisees We may use these funds to develop and implement marketing and promotional activities designed to benefit the entire system of "Perko's" These funds will not reduce the payments you must make to us as fee payments under the Franchise Agreement

Computer Equipment and Information Services

You must obtain point of sale system as detailed in the Manuals The POS system must be connected via a high speed connection at all times and be capable of accessing the internet and tracking sales via a back office system It must also be able to sell and redeem gift cards and collect credit cards Currently, the designated purveyor for point of sales and back office systems is Aloha, which can cost up to $25,000

Insurance

You must maintain suitable insurance coverage and minimum amounts specified in the Franchise Agreement, with accredited carriers having ratings satisfactory to the Franchisor

Records

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to our requirements

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your main obligations under the Franchise Agreement and will help you find more information about them in the Franchise Agreement and in this disclosure document

Obligation	**Section in Franchise Agreement**	**Item in Disclosure Document**
Site selection & lease acquisition	2(E-F), 8(A)(8)	Items 7, 11
Pre-opening purchases and leases	2(E-G), 6(B), 8(A)(11), 8(B)	Items 7, 11
Site development & other requirements	2(G-H), 6	7
Initial & ongoing training	8(A)(14)	Item 11
Opening	2(G), 8(A)(6)	Item 11
Fees	3(A),(B),(E),(F)	Items 5, 6
Compliance with standards, policies and manuals	1(G,H), 2(D-G), 6(A)-(D), 8(A)(1-9)	Items 8, 11

Trademarks & proprietary matters	1(B,C,F,G, H), 2(D), 8(A)(1)	Item 13
Restrictions on products and services	2(E,F,G), 6(D)(E), 8(A)(2)-(3)	Items 8, 16
Warranty & customer service	6(A), (C)	None
Territorial development & sales quotas	None	None
Ongoing product & service purchases	6(E), 8(A)(2)	Items 8, 16
Maintenance, appearance & remodeling requirements	2 (F-G), 6(A-D), 8(A)(4), 8(A)(9)	None
Insurance	3(D), 4(B)	None
Advertising	8(A)(7)	None
Indemnification	1(F), 4(A)	None
Owner's participation in management & staffing	8(A)(6), 8 (A)(14), 11(E)	Item 15
Records & reports	3(B)(4), 5(A),(B)	None
Inspections & audits	5(B)	None
Transfer	11	Item 17
Renewal	None	None
Post-termination obligations	9, 10(C), (D), 11	None
Non-competition	2(D), 12(E)	Item 12
Dispute resolution	12(D), 13	None
Participation in gift card program	8(A)(15)	None
Restrictions on electronic communications	8(A)(16)	None
Other [describe]	None	None

Item 10

FINANCING

HRB does not offer direct or indirect financing HRB does not guarantee your note, lease or obligation to any third party

Item 11

FRANCHISOR'S OBLIGATIONS

Except as disclosed below, HRB is not required to provide you with any assistance

Pre-Opening Obligations

1 Site Review If no location has been agreed upon at the time of execution of this Agreement, you must, on your own initiative and at your own expense, locate a proposed site for the Restaurant within 90 days of the execution of this Agreement Franchisee shall submit to Franchisor such demographic and other information regarding the proposed site(s) and neighboring areas as Franchisor shall require The location must be acceptable to you and HRB The factors HRB considers in selecting or approving locations are the general location and neighborhood, traffic patterns, parking, competition in the area, building size, and lease terms HRB does not own any locations for you to lease [Franchise Agreement - § 2(E)]

2 Site Selection Franchisor is not required to visit any potential location However, Franchisor may voluntarily (without obligation) assist Franchisee in obtaining or evaluating an acceptable location Neither Franchisor's said assistance, if any, its acceptance of Franchisee's proposed site, nor its acceptance of the proposed lease or purchase agreement shall be construed to insure or guarantee the profitable or successful operation of the Franchised Restaurant by Franchisee, and Franchisor hereby expressly disclaims any responsibility therefore [Franchise Agreement - § 2(F)] If you and HRB don't agree on a location within 90 days after you sign the Franchise Agreement, you may cancel the agreement and get back your initial franchise fee, less no more than $10,000 00 to cover HRB's costs in trying to find an acceptable location [Franchise Agreement - § 2(E)]

3 Site Design HRB will provide you with a copy of our basic specifications for the design and layout of your Restaurant You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of your Restaurant You are responsible for the costs of construction and remodeling [Franchise Agreement - § 2(G)]

4 Once a location is found, you and HRB will agree on your exclusive territory [Franchise Agreement - § 2(A-D)]

5 HRB will provide you a building plan for the restaurant at your expense, a list of required equipment you will need, names of Approved Purveyors who sell this equipment

[Franchise Agreement - § 2(G), 6(A-E), 7(2), 7(5)]

6 HRB will advise you of products you must sell and use and the Approved Purveyors of same [Franchise Agreement - § 6(A-E) & 7(2), 7(5)]

7 HRB will provide you with an initial supply of daily check-out sheets, monthly profit and loss statements, and inventory records [Franchise Agreement - § 7(4)]

8 HRB will provide training as set forth in the Training section of this Item 11 at your expense [Franchise Agreement - § 8(A)(14)]

9 HRB will advise you of the standards and procedures by which for keeping records and accounting required by HRB [Franchise Agreement -§ 5(A)]

Time to Open

HRB estimates the length of time between the signing of the Franchise Agreement and the opening of your business is between three to twelve months, depending on when the location is agreed to and whether the restaurant building is already built The factors that affect this time are the ability to obtain a lease or sublease, financing arrangements, getting a building permit, complying with zoning and local ordinances, weather conditions, material shortages, and delay in installation of equipment, fixtures and signs

Post-Opening Obligations

10 Attend your opening, provide you a representative for consultation, advertise the trade name in times and ways to be determined by HRB, convene franchise meetings regarding updates in food pricing, advertising, franchising, enforce the standards established by HRB against all other franchisees, and prevent others from unlawfully using the "Perko's Cafe Grill" or "Perko's Farm Fresh"" trade names [Franchise Agreement - § 7(6-11)]

11 Advise you periodically of the food products and supplies you must use in your business and of the Designated Purveyors you may use [Franchise Agreement -§ 6(B), (e)]

Advertising

HRB will advertise the trade name in times and ways to be determined by HRB HRB does not have to spend any money on advertising in your area [Franchise Agreement -§ 7(8)] You must at your own expense engage in local advertising that is approved by HRB in writing [Franchise Agreement -§ 8(A)(1)(7)] There is no Franchisee advertising counsel

Computer Systems

You are required to have a restaurant point of sale (POS) system or a computerized sales

recording system HRB is not obligated to help you in obtaining these items, but, they must be purchased from HRB 's Designated Purveyor HRB will have access to your POS system at any time via a back office system [Franchise Agreement -§ 8(A)(10)]

Operating Manual

HRB will offer prospective Franchisees the opportunity to view the manual before buying the franchise

Training

For at least six weeks, and for at least eight hours per day, five days per week, you or any approved manager must participate in on-the-job training at a "Perko's"" restaurant, which training must be completed at least ninety days before you open your restaurant HRB does not provide any classroom type training If there is more than one training site available, HRB will pick the site most convenient to you You will not be paid for the training, and you will have to pay your own travel and living expenses during training [Franchise Agreement - § 8(A)(14)]

You will be trained by a qualified unit manager, restaurant manager or designated franchisee, who must have at least six months experience in running a restaurant Your training will be supervised by David Richard Glennon, whose experience is set forth in Item 2 of this document Training is mandatory and must be completed to HRB's satisfaction Training consists of

Training Program

Subject	Instruction Material	Hours of OJT	Location
Opening & closing procedures	Manual, products, equipment	10 hours	Existing Restaurant Location
Food handling, storage & cooking procedures	Manual, products, equipment	60 hours	Existing Restaurant Location
Produce, dairy & bakery purchasing, handling & serving procedures	Manual, products, equipment	10 hours	Existing Restaurant Location
Food preparation & presentation	Manual, products, equipment	60 hours	Existing Restaurant Location
How & when to order food products &	Manual, order guide	10 hours	Existing Restaurant

supplies			Location
Customer relations	Manual	10 hours	Existing Restaurant Location
Premises security & money handling	Manual, equipment	10 hours	Existing Restaurant Location
Kitchen equipment use, maintenance & repair	Manual, brochures, equipment	10 hours	Existing Restaurant Location
Health Dept requirements	Manual, regulations	8 hours	Existing Restaurant Location
Efficient use of utilities	Manual, utility companies' materials	8 hours	Existing Restaurant Location
Maintenance of dining rooms, restrooms	Manual, supplies, equipment	8 hours	Existing Restaurant Location
Checking out, banking, accounting	Manual, forms, bank materials	8 hours	Existing Restaurant Location
Safety	Manual, regulations, insurance materials	10 hours	Existing Restaurant Location

No additional training is required, but you may take more training at any time

Item 12

TERRITORY

You will receive an exclusive territory in which only you may use the "Perko's " trade name and service mark This territory will either be described on a map attached to your Franchise Agreement or will be a circular area around your restaurant location as specified in your Franchise Agreement The size of your territory will depend on the general location of your restaurant Typically, in a densely populated area [commercial, with adjacent residential] the airline radius of your circle of territorial protection will be two miles You do not have to achieve any sales goals or meet other criteria to keep your exclusive territory You do not have the right to establish additional restaurants in the territory

The license granted to the Franchisee under this Agreement is nonexclusive and the Franchisor expressly reserves all other rights including, the exclusive, unrestricted right, in its discretion, directly and indirectly, itself and through its employees, affiliates, representatives, franchisees, licensees, assigns, agents and others to own, operate, and to license others to own or operate "Perko's"" in the following venues, even if located within your territory hotels, airports,

sports arenas, train stations, casinos, theme parks, military installations, movie theaters, or college and university campuses located within its borders and to produce, license, distribute and market "Perko's" products, including pre-packaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items, through any outlet (regardless of its proximity to the Restaurant opened pursuant hereto), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the internet or internet web site, mail order catalogs, direct mail advertising, delivery, catering, and other distribution methods, and to advertise and promote the system through any means, including the internet

HRB plans to sell "Cool Hand Luke's" franchises "Cool Hand Luke's" is a steakhouse restaurant serving lunch and dinner These restaurants compete with "Perko's Cafe Grill"and "Perko's Farm Fresh" " restaurants HRB may sell franchises for "Cool Hand Luke's" restaurants within your territory, but not within a two mile airline radius around your restaurant HRB sells "Huckleberry's" franchises "Huckleberry's" is a restaurant serving breakfast and lunch These restaurants compete with "Perko's Cafe Grill" and "Perko's Farm Fresh" restaurants HRB may sell franchises for "Huckleberry's" restaurants within your territory, but not within a two mile airline radius around your restaurant HRB does not plan to maintain separate offices for the similar competing business HRB will use separate training facilities for the "Cool Hand Luke's" and "Huckleberry's" locations

Item 13

TRADEMARKS

HRB grants you the right to operate a restaurant under the names "Perko's Cafe Grill" or "Peko's Farm Fresh Brooks Restaurant Group, Inc , registered the name "Perko's Cafe Grill" and a flame between the words "Cafe" and "Grill", as a service mark with the California Secretary of State, Service Mark Registration No 67979, with a term extending to June 12, 2017 In addition, Brooks Restaurant Group, Inc registered the name "Perko's Farm Fresh" and a circle with the word Perko's in the upper half and a banner imposed over the lower half within which appear the words "Farm Fresh" as a service mark with the California Secretary of State, Service Mark Registration No 67972 with a term extending to June 11, 2017 No one else may use these trade names and service marks without the permission of HRB Brooks Restaurant Group, Inc and BRGF used the "Perko's Cafe Grill"[CA1]" name and service mark since June 1, 1998, and claimed proprietary rights based on this use In addition, Brooks Restaurant Group, Inc and BRGF used the "Perko's Farm Fresh" name and service mark since April 15, 2010 and claimed proprietary rights based on this use [CA2]

In September of 2016, Brooks Restaurant Group, Inc , and BRGF assigned any and all interests in the "Perko's Cafe Grill" and "Perko's Farm Fresh"" names and service marks to HRB We do not have a federal registration for our principal trademark Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase

your expenses In addition to the above mentioned service mark registration numbers 67979 ("Perko's Cafe Grill" and 67972 ("Perko's Farm Fresh"), HRB filed for a trademark from the United States Government on January 4, 2017 for "Perko's Farm Fresh", and was assigned Registration number 87289515 In addition HRB filed for a trademark from the United States Government on January 6, 2017 for "Perko's Cafe & Grill, and was assigned Registration number 87292213 The publication of the Trademarks by the United States Patent and Trademark Office is pending

Under your Franchise Agreement [§ 7(B)(7)], HRB must protect your right to use the trade names "Perko's Cafe Grill" or "Perko's Farm Fresh"" and the related service marks as described above, and HRB must protect and indemnify you from the unauthorized use of those trade names and service marks by anyone else HRB has the right to control proceedings and litigation involving trade name and service mark infringements

Except as indicated above, HRB has no knowledge of superior rights to or infringing uses of the trade name "Perko's Cafe Grill" and "Perko's Farm Fresh"" and the related service marks that could materially affect your use of these trade names and service marks

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or copyrights are material to the franchise

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement specifically requires you and/or your designated manager to participate personally in the management and operation of the "Perko's" restaurant by devoting your full time, energy and best efforts Based on our years of experience, we believe your substantial attention to the daily operation of the restaurant is an important element for the operation of your "Perko's" restaurant Your on-premises supervision of your employees and business activities is a mainstay of our franchise system Your restaurant must be directly managed by a designated individual who has successfully completed our training program Your designated initial manager is required to satisfactorily complete our training program Your designated manager is not required to have an equity interest in your business

The Franchise Agreement contains a confidentiality clause You, or if you are an entity, your entity owners and managers, must agree to be bound by our Confidentiality Agreement contained in the Franchise Agreement In part, the Confidentiality Agreement prohibits you from reproducing or distributing our confidential information and it requires you to maintain at least the same level of security for our confidential information as you maintain for your own The

Confidentiality Agreement will remain in force for the lesser of five (5) years or the longest time permitted by applicable law Confidential information about our food and beverage recipes, lists of ingredients and preparation and serving instructions will remain secret and confidential forever Individuals who are managers or have access to our confidential information must also agree to be bound by the Confidentiality Agreement Those managers and employees will be required to acknowledge that the confidential information remains our property and that the confidential information may only be uses to further your business activities as a Franchisee

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must serve the food items on HRB's prescribed menus HRB also controls the quality of graded products you use and sell, as disclosed in Item 8 of this disclosure document

Item 17

RENEWAL, TERMINATION, TRANSFER
AND DISPUTE RESOLUTION

This table lists important provisions of the Franchise Agreement You should read these provisions in the Franchise Agreement attached to this offering circular

Provision	**Section in Franchise Agreement**	**Summary**
Term of the franchise	2(A)	15 years, or equal to the term of your lease or sublease
Renewal or extension of term	None	
Requirements for you to renew or extend	None	
Termination by you	10(D)	You may terminate, but this gives HRB the right to buy your business
Termination by HRB without cause	None	
Termination by HRB with cause	10(B)	HRB may terminate only if you default and fail to cure

"Cause" defined and defaults which can be cured	10(A)-(B)	You have 60 days after notice to cure defaults which can be cured under your Franchise Agreement, lease or sublease
"Cause" defined and defaults which cannot be cured	10(B)(1)	The following defaults of the agreement cannot be cured (1) You or your business are subject of an order of bankruptcy, judicially determined insolvent, substantial part of assets assigned to creditor, or admit inability to pay debts, (2) abandonment of the franchise, (3) you make a material misrepresentation relating to the acquisition of the franchise or engaging in conduct that reflects materially or unfavorably on the franchise's reputation, (4) failure to comply with any law after 10 days notice of non-compliance, (5) after curing any failure, engaging in the same non-compliance, (6) repeated failures to comply with one or more requirements of the franchise, (7) franchise business or premises are seized, taken over or foreclosed by the government, creditor, lienholder or lessor, (8) you are convicted of a felon or other criminal conduct relevant to the operation of the franchise, (9) failure to pay franchise fees or other amounts due to HRB within 5 days of notice that the fees are overdue, (10) HRB determines that continued operation by you is imminent danger to public health or safety
Your obligations on termination or non-renewal	10(C)	You must pay HRB any amounts then due, you must sell your business to HRB, if HRB elects to purchase it, and you must stop all uses of HRB 's trade name and service mark
Assignment by HRB	11(A)	HRB may assign your franchise agreement to a third party who assumes to be bound by your agreement
"Transfer" by you, defined	11	"Transfer" includes voluntary and involuntary transfers and change in control of an entity franchisee

HRB 's approval of transfers by you	11(E)	HRB must approve any transfer, but cannot unreasonably withhold consent
Conditions for HRB 's approval of transfer	11(E)	Transferee must be adequately trained and if by HRB, at your expense
HRB 's right of first refusal to acquire your business	11(E)	If you intend to sell your restaurant, HRB has 60 days to match any bona fide offer you receive
HRB 's option to purchase your business	10(D)	HRB may purchase your business without payment for good will if you cancel the Franchise Agreement
Your death or disability	11(D),(E)	
Non-competition covenants during term of franchise	12(E)	You shall not divert business nor customers of the restaurant to any other person or entity during the term of the agreement
Non-competition covenants after term of franchise	None	
Modification of Franchise Agreement	12(C)	Requires written consent of both parties
Integration/merger clause	12(C)	Only the terms of the Franchise Agreement are binding, subject to state laws, any other promises may not be enforceable
Dispute resolution by arbitration or mediation	13	You must submit any disputes you have with HRB that relate to the franchise agreement to binding arbitration
Choice of forum	12(D)	Litigation must be in San Luis Obispo County, California
Choice of laws	12(D)	California law governs

California Business and Professions Code §§ 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise 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 A Sec 101 et seq)

The franchise agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

The franchise agreement requires binding arbitration The arbitration will occur at San Luis Obispo County, California, with costs being borne equally by the parties The prevailing party is entitled to costs and attorney's fees

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 California This provision may not be enforceable under California Law

Item 18

PUBLIC FIGURES

HRB does not use any public figure to promote its franchise

Item 19

EARNINGS CLAIMS

The Federal Trade Commission'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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

HRB does not make any representations about a franchise's future financial performance or the past performance of company-owned or franchised outlets HRB also does not authorize its 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 Gregory Graber, 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6092 [CA3], the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20

LIST OF OUTLETS

System Wide Outlet Summary[10]
For Years 2014-2016

Outlet Type	Year	Outlets at Start Of Year	Outlets at End of Year	Net Change
Franchised	2014	23	22	-1
	2015	22	22	0
	2016	22	20	-2
Company Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	23	22	-1
	2015	22	22	0
	2016	22	20	-2

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2014-2016

State	Year	Total Number of Transfers
Franchised	2014	0
	2015	0
	2016	0
Total Outlets	2014	0
	2015	0
	2016	0

Status of Franchise Outlets

10 All Numbers in Item 20 are as of June 30 of Each Year

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased for other reasons	Outlets at End of Year
CA	2014	23	0	1	0	0	0	22
	2015	22	0	0	0	0	0	22
	2016	22	0	0	2	0	0	20
Totals	2014	23	0	1	0	0	0	22
	2015	22	0	0	0	0	0	22
	2016	22	0	0	2	0	0	20

Status of Company Owned Outlets

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
CA	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Projected Openings

State	Franchise Agreement Signed But Store Not Opened	Projected Franchise Stores in Next Fiscal Year	Projected Company Owned Openings – Next Fiscal Year
California	0	0	0
Totals	0	0	0

The attached Exhibit E shows the names, addresses and telephone numbers of all "Perko's" franchisees

Item 21

FINANCIAL STATEMENTS

The Franchisor has not been in business for three years or more, and cannot include all financial statements required in paragraphs (1)(i) and (ii) of this Item 21

EXHIBIT	DESCRIPTION
B	Unaudited balance sheet ending 12/31/2016
B	Unaudited Profit and Loss Statement for through 12/31/2016

Item 22

CONTRACTS

A copy of the Franchise Agreement, Confidentiality Agreement, and Personal Guaranty for use in California is attached as Exhibit A A copy of the Confidentiality Agreement, and Personal Guaranty for use in California is attached as Exhibit C HRB does not propose to use any other contracts or agreements, lease agreements, options or purchase agreements

Item 23

RECEIPT

Following the exhibits described above is a detachable document acknowledging receipt of a copy of this offering circular by you

EXHIBIT A

PERKO'S
FRANCHISE AGREEMENT

In consideration of the mutual promises of the parties and other valuable consideration, it is agreed by and between Heritage Restaurant Brands, LP (hereinafter called the "Franchisor"), and

_____

(hereinafter called the "Franchisee"), as follows

1 SCOPE AND PURPOSE OF THE AGREEMENT

(A) Recital The Franchisee desires to own and operate a "Perko's" restaurant under one of the two trade name options listed in section 1(B) of this Agreement at a location to be presently or hereafter selected by mutual agreement of the parties (said restaurant to be a facility comprised of a restaurant building or premises within a shopping center building and related fixtures and equipment and referred to herein sometimes as the "Restaurant") The parties desire to have the Restaurant operate as a "Perko's" restaurant utilizing the "Perko's" menu, trade name and service mark

(B) Use of Mark The Franchisor grants to the Franchisee for the term of this Agreement the right to use the "Perko's Farm Fresh"/"Perko's Cafe and Grill" trade name [Strike out the name not to be used] (hereinafter referred to as "Perko's") and service mark at the Restaurant, and the Franchisor further authorizes the Franchisee to use, during the term hereof, that trade name and service mark in the format (e g , letter style and colors) designated by the Franchisor, along with the Franchisor's theme, music selection, recipes, methods of food preparation, decoration and service at the Restaurant, subject to the terms and conditions as contained in this Agreement The license granted to the Franchisee under this Agreement is nonexclusive and the Franchisor expressly reserves all other rights including, the exclusive, unrestricted right, in its discretion, directly and indirectly, itself and through its employees, affiliates, representatives, franchisees, licensees, assigns, agents and others

(i) to own, operate, and to license others to own or operate "Perko's" in the following venues, even if located within your territory hotels, airports, sports arenas, train stations, casinos, theme parks, military installations, movie theaters, or college and university campuses located within its borders

(ii) to produce, license, distribute and market "Perko's" products, including pre-packaged food items, dressings and other food and beverage products, books, clothing, souvenirs and novelty items, through any outlet (regardless of its proximity to the Restaurant opened pursuant hereto), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the internet or internet web site, mail order catalogs, direct mail advertising, delivery, catering, and other distribution methods, and to advertise and promote the system through any means, including the internet

(C) No Ownership of Mark The Franchisee agrees that this Agreement confers upon the Franchisee no proprietary right, title or interest in the trade name and service mark, but only the right to use the same during the term of this Agreement

(D) No Employee or Agency Relationship The Franchisee is not for any purpose an employee or agent of the Franchisor All of the personnel employed by the Franchisee at the Restaurant are employees or agents of the Franchisee, and not of the Franchisor Franchisee shall be solely responsible for recruiting and hiring employees to operate its Restaurant, for setting the terms and conditions of their employment, setting wages hours and working conditions, and for managing, instructing, and disciplining employees Franchisee shall also be solely responsible for the work performance of its employees and the manner and means by which the employees uphold brand standards, and implementing policies, procedures and programs to train its employees on the legal, safe, and proper performance of their jobs consistent with the standards of the restaurant Franchisor shall have no right of control over factors such as hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of Franchisee's employees

(E) No Authority to Bind Franchisor The Franchisee does not have the authority to sign contracts, notes or obligations, to make purchases, or to acquire or dispose of property on behalf of the Franchisor The Franchisee will have the sole responsibility for the hiring, day-to-day management, evaluation, discipline, and termination of the Franchisee's employees

(F) Indemnity The Franchisee agrees to defend and indemnify the Franchisor, its parent and its affiliates against, and hold them harmless from any contractual, tortious or other claim, obligation or liability of any and every kind whatsoever, asserted against or imposed on the Franchisor, its parent and its affiliates, as a consequence of the operation of the Restaurant or the Franchisee's failure for any reason to fully inform any third person of the Franchisee's lack of authority to bind the Franchisor, its parent and its affiliates

(G) System The Franchisee agrees that the Franchisor has established a method and system (the "System") for the development and operation of "Perko's," which includes, without limitation the service mark "Perko's" and all related names, trademarks, service marks, logos, copyrights and associated goodwill (the "Proprietary Marks"), distinctive themes, including music selected, building designs, decor, color schemes and trade dress and signing, an operating manual incorporating required standards, procedures, policies and techniques, secret food formulae, and advertising, marketing and promotional programs, and Franchisee agrees that he shall be bound to comply with the continued use all of the above set forth items

(H) Compliance With Concept Without the prior consent of the Franchisor, the Franchisee shall not deviate from the "Perko's" concept, theme as described in the Compliance Manual provided to Franchisee, designated theme music and other specifications as set forth in the Compliance Manual In the event the Franchisor updates or changes the Compliance Manual, Franchisee agrees to bring himself into compliance with all such changes within a reasonable time,

not to exceed 30 days

2 TERM, LOCATION AND TERRITORY

(A) Term The term of this Agreement shall be fifteen (15) years, but shall be automatically extended or shortened to coincide with the term of the lease or sublease under which the Franchisee obtains the right to occupy the Restaurant, including any additional time provided by lease or sublease options which are exercised, so that this Agreement and the Franchisee's right to occupy the Restaurant shall end at the same time However, the term of this Agreement and the obligation of the Franchisee to perform hereunder is not contingent upon the continued existence of the lease or sublease under which the Franchisee occupies the Restaurant, and a termination of such lease or sublease by the voluntary act of the Franchisee or by reason of the default of the Franchisee shall be a breach of this Agreement, entitling the Franchisor to all of the rights and remedies described in Section 10 of this Agreement The term of this Agreement shall commence on the date of execution hereof, and it shall be automatically extended for a period of time equal to the lapse of time between the execution hereof and the first day that the Franchisee is open for business at the Restaurant

(B) Location This Agreement shall be performed by the Franchisee at a location known as

_____

(C) Territory The foregoing location is situated in a territory described (i) on the map attached hereto and incorporated herein/ (ii) as follows (strike out inapplicable language)

_____

_____

(D) Restrictions on Use of Trade Name Without the prior written consent of the Franchisee, the Franchisor shall neither itself use, nor shall it license the "Perko's" trade name and service mark to any other person, partnership, corporation or other entity for use in the territory described in paragraph (C) of this Section 2 while this Agreement remains in force Furthermore, without the prior written consent of the Franchisee, except as set forth in Section 1(B)(i-ii), the Franchisor shall neither itself use, nor shall it license any of its other trade names and services marks to any other person, partnership, corporation or other entity for use within an area having the Restaurant as its center and having a two mile airline radius

(E) Selection of Location If no location has been inserted in the blank space provided above at the time of execution of this Agreement, Franchisee must, on your own initiative and at your own expense, locate a proposed site for the Restaurant within 90 days of the execution of this Agreement Franchisee shall submit to Franchisor such demographic and other information regarding the proposed site(s) and neighboring areas as Franchisor shall require Franchisor may seek such additional information as it deems necessary within 15 days of submission of the information regarding the proposed site, and Franchisee shall respond promptly to such request for additional information If Franchisor does not deliver written notice to Franchisee that Franchisor

accepts the proposed site, within 30 days of receipt of Franchisee's submission of the information regarding the proposed site, the site shall be deemed rejected If the Franchisor accepts the site, it shall notify Franchisee of the acceptance of the site If no location has been selected within 90 days following the Franchisee's execution hereof, then, upon written demand from the Franchisee, the Franchisor shall refund to the Franchisee all but up to Ten Thousand Dollars ($10,000 00) of the initial franchise fee Up to $10,000 may be retained by the Franchisor in payment for services rendered, and this Agreement shall be of no further force and effect

(F) Franchisor Site Selection Assistance Franchisor is not required to visit any potential location However, Franchisor may voluntarily (without obligation) assist Franchisee in obtaining or evaluating an acceptable location Neither Franchisor's said assistance, if any, its acceptance of Franchisee's proposed site, nor its acceptance of the proposed lease or purchase agreement shall be construed to insure or guarantee the profitable or successful operation of the Franchised Restaurant by Franchisee, and Franchisor hereby expressly disclaims any responsibility therefore Franchisor's acceptance of a location is solely an indication that the location meets Franchisor's minimum standards and specifications at the time of acceptance and such acceptance shall not be construed as any express or implied representation or warranty that the location will be profitable or successful Franchisee acknowledges its sole responsibility for finding the Location Franchisee acknowledges its sole responsibility for finding the site for the Restaurant it develops pursuant to this Agreement

(G) Construction Following the date of execution of this Agreement and before the renovation or construction of the Restaurant, Franchisor shall provide Franchisee with copies of Franchisor's specifications for the design and layout of the Franchised Restaurant and required fixtures, equipment, furnishings, decor, trade dress, and signs Franchisee shall at its sole cost and expense promptly cause the Premises and Franchised Restaurant to be constructed, equipped and improved in accordance with such standards and specifications, unless Franchisor shall, in writing, agree to modifications thereof Franchisee shall hire licensed architects, engineers and general contractors of its own selection, and at its sole cost and expense, to prepare such engineering and construction drawings and site plans and to obtain all permits required to construct, remodel, renovate, and/or equip the Restaurant and premises All such plans, and modifications and revisions thereto, shall be submitted to Franchisor for its prior review and acceptance before Franchisee's commencement of construction, no more than 60 days from the date a Restaurant location has been selected If Franchisor does not deliver written notice to Franchisee that Franchisor accepts such design criteria, the design criteria shall be deemed rejected Franchisor shall have the right, but not the obligation to require Franchisee to employ Franchisor's designated design architect to provide input on the placement of trade dress elements, general layout, and other input as deemed appropriate Franchisor shall have the right, but not the obligation to perform inspections of the Restaurant during construction and after construction to ensure that the Restaurant is built in accordance with the drawings and specifications accepted by Franchisor, and all fixtures, signs, furnishings and equipment are in compliance with Franchisor's standards Franchisee may not open the Restaurant for business until Franchisee has received written authorization to open from Franchisor, which authorization may be conditional and subject to Franchisor's satisfactory inspection of the Restaurant Franchisee shall complete construction

or renovation, as the case may be, to the Restaurant and all improvements therein, including installation of all fixtures, signs, equipment and furnishings as soon as possible, but in any event within six (6) months after the commencement of construction, unless Franchisor consents in writing to a longer period of time The operation of the Restaurant shall commence not later than 12 months following the execution of this Agreement Franchisors acceptance of Franchisee's plans and specifications for the Restaurant, Franchisor's guidance with the development of the Restaurant and Franchisor's authorization to open the Restaurant are to assure that Franchisee complies with Franchisor's standards and specification, and shall not be construed as any express or implied representation or warranty that the Restaurant complies with any applicable laws, codes or regulations or that the construction is sound or free from defects Franchisor's criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations Franchisor will have no liability with respect to construction of the Restaurant, nor shall Franchisor be responsible in any way for delays or losses occurring during the design, construction or other preparation of the Restaurant, whether caused by the condition of the Restaurant, the design, engineering, construction, equipping, decorating, or stocking of the restaurant or any other reason Franchisee expressly acknowledges and agrees that Franchisor does not, directly or indirectly warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvement of the Restaurant will guaranty Franchisee's success

3 INITIAL PAYMENT, FEES AND OTHER CHARGES

(A) Initial Franchise Fee The Franchisee shall pay to the Franchisor in addition to any other payment required by this Agreement an initial franchise fee of $50,000 00, payable upon execution of this Agreement

(B) Royalty Beginning with the first day upon which the Franchisee does business at the Restaurant and during the term of this Agreement, the Franchisee shall pay to the Franchisor a continuing royalty of up to (5%) percent of his gross volume The Franchisor reserves the right, in its sole discretion, to suspend, waive, defer or modify the continuing royalty provided for herein, but in no event shall it ever exceed five (5%) percent of monthly gross volume

(1) Non-Compliance Penalty Should the Franchisor determine that the Franchisee is not in compliance with any provision of this Agreement, the Franchisor shall give ten (10) days' notice of non-compliance The parties agree that quantifying the cost of Franchisee's failure to comply with the terms of this Agreement is inherently difficult and it is further agreed that should Franchisee not take full remedial action within that ten (10) days, franchisor may impose a punitive fine of up to $500 00 for each infraction The fines set forth in this section will continue to be imposed on the Franchisee every ten (10) days that the Franchisee remains out of compliance with this Agreement

(2) Payment Due Date Payment of the royalty described above shall be made to the Franchisor at its address set forth in Section 12 monthly in arrears for each month or fractional month, to be delivered or mailed by Franchisee so that it is received by the Franchisor not later than the 15th day of the month following the month for which the

royalty applies

(3) Gross Volume Defined The term "gross volume" includes all sources of revenue derived by the Franchisee hereunder, except sales tax

(4) Reporting of Sales Volume Before the fifteenth (15th) day of each month, the Franchisee shall prepare and forward to the Franchisor a record of gross volume, including sales tax, for the preceding month, or fractional part thereof

(5) Interest on Delinquent Royalties Delinquent royalties shall bear interest at the rate of 10%

(C) Taxes The Franchisee shall pay all use, business, personal property, sales, transfer and other taxes relating to or arising from the existence or operation of the franchised business, including real property taxes, if required to do so by the lease or sublease for the Restaurant

(D) Insurance Premiums The Franchisee shall pay when due the premiums and any increases thereof for the insurance described in Section 4

(E) Administrative Contribution During the term of this Agreement, the Franchisee shall pay to the Franchisor, in addition to all the amounts heretofore specified in this Section 3, an administrative contribution of one per cent (1%) percent of the Franchisee's gross volume Administrative contributions shall be used by the Franchisor to defray administrative expenses incurred directly and indirectly by the Franchisor in the performance of its obligations hereunder, to advertise and promote the trade name "Cool Hand Luke's" and to defray the cost of any program, device or thing determined by the Franchisor to be helpful in creating greater sales, more efficient operations or better quality, control and service in "Cool Hand Luke's" restaurants The time and manner of payment of the administration contribution herein specified shall be the same as described in Paragraph (B)(2) of this Section 3 The amount of the contribution, subject to the limitations set forth above, shall be as is from time to time specified by the Franchisor The Franchisor may charge different Franchisees different amounts, and no Franchisee shall have any right to limit his contribution by reason of different charges to other Franchisees The Franchisor shall be under no obligation to match franchisee administrative contributions with its own revenues because of benefits conferred on the Franchisor by reason of the receipt and expenditure of said monies The Franchisor reserves the right, in its sole discretion, to suspend, defer or waive the administrative contributions provided for herein

(F) Late Fees The Franchisee acknowledges that late and non-payment of monies due and late and failure to furnish the Franchisor any report due from the Franchisee will cause the Franchisor to incur costs not contemplated by this Agreement, the exact amount of which are extremely difficult to ascertain Accordingly, if any payment or report is not received when due or within five (5) days after written notice of default from the Franchisor, then the Franchisee shall

pay to the Franchisor a late charge of $100 00 for each late or non-payment of money and for each late or non-submission of a report The parties agree that this late charge represents a fair and reasonable estimate of the costs that the Franchisor will incur by reason of such a default Acceptance of a late charge without the curing of the default as to which it relates shall not constitute a waiver of the Franchisee's default or prevent the Franchisor from exercising any of its other rights and remedies contained in this Agreement

(G) Pre-Authorized Bank Transfers The Franchisee will, from time to time during the term of this Agreement, execute such documents as the Franchisor may request to provide Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution to transfer directly to the bank account of Franchisor or its parent or affiliates, and to charge the bank account of the Franchisee, all amounts payable by the Franchisee to Franchisor or to its parent or affiliates pursuant to this Agreement The transfer authorizations will be in the form prescribed by the Franchisor's bank Transfers will be on or after the due dates of the items as to which transfers are made, at the discretion of the Franchisor The Franchisee's authorizations will permit the Franchisor to designate the amounts to be transferred from the Franchisee's account, and to adjust such amounts from time to time If the Franchisee fails at any time to provide the monthly reports required under this Agreement, then the Franchisor shall have the right, in its sole discretion, to estimate the amounts due and payable to the Franchisor, and to transfer such estimated amounts from the Franchisee's bank account to the Franchisor's bank account The Franchisee shall at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amounts to be transferred from the Franchisee's account for payment of all amounts payable by Franchisee pursuant to this Agreement

4 RESPONSIBILITY FOR DAMAGE OR DESTRUCTION OF RESTAURANT, PERSONAL DAMAGE, MANDATORY INSURANCE

(A) Indemnity During the term hereof the Franchisee shall defend, indemnify and hold harmless the Franchisor, its parent and its affiliates of and from all claims, demands and suits for loss, damages or injury arising out of, without limitation, vandalism, negligence, wind, weather, water, fire, flood, earthquake or natural and man-made disaster, theft or accident, and any other activity directly or indirectly related to the operation or existence of the Restaurant business

(B) Insurance At all times during the term hereof the Franchisee shall maintain at his expense insurance against the risks specified above in Paragraph (A) of this Section 4 with accredited carriers having ratings satisfactory to the Franchisor The Franchisee's public liability policy, which must include products liability and liquor liability coverage, shall have limits of not less than $2,000,000 00 combined single limit The Franchisee's property damage insurance must have a limit of not less than $500,000 00 All policies shall name the Franchisor, its general partner Heritage Restaurant Brands, LLC, and the Franchisee as the insured The Franchisee shall furnish the Franchisor annually or upon request written evidence of the existence of the policies of insurance required by this section

5 RECORD KEEPING, ACCOUNTING AND BUSINESS REPORTING

(A) Submission of Records to Franchisor The Franchisee shall use, keep and maintain such records concerning operation of the Restaurant as may from time to time be required by the standards and procedures established by the Franchisor The Franchisee may keep other records or books as desired Not later than the 15th day of each month the Franchisee must forward to the Franchisor a profit and loss statement conforming to generally accepted principle of accounting, showing receipts and disbursements for the preceding month

(B) Franchisor Right to Records/Duty to Maintain All of the accounting records of the Franchisee so far as they pertain to the Franchised business shall be open to the inspection, examination and/or audit by the Franchisor and its authorized representatives at all reasonable times, and copies thereof (other than reports required to be furnished to the Franchisor by the Franchisee) may be made by the Franchisor at its expense Any inspection, examination and/or audit shall be at the Franchisor's cost and expense unless the same is necessitated by the Franchisee's failure to prepare and deliver its financial statements to the Franchisor, or to keep and preserve proper accounting records, or such inspection, examination or audit discloses that any such financial statement, report or payment made or delivered by Franchisee to the Franchisor is in error to an extent of 3% or more of the correct amount or amounts as determined by the Franchisor or its representatives, and in any of such events, the cost and expense of the examination or audit shall be paid by the
Franchisee upon billing by the Franchisor

6 UNIFORMITY OF APPEARANCE, PRESENTATION OF PRODUCT, QUALITY AND MAINTENANCE OF STANDARDS

(A) Appearance and Standards The restaurant business is a highly competitive one, and the Franchisor and the Franchisee recognize that they have a mutual interest in the success of all "Perko's" restaurants The success and efficiency of all "Perko's" restaurants rest in material respect on the uniformity of image and appearance and general consumer acceptance of the restaurants as a group By use of the " Perko's" service mark and trade name, the Franchisee represents to consumers that they will receive the same high quality food and service at the Restaurant as at every other "Perko's" restaurant, including all food specials and promotions specified by the franchisor It is, therefore, to the mutual advantage of the Franchisor and the Franchisee and the Franchisee hereby does agree to maintain uniform appearance of the Restaurant and uniform high standards of quality in the merchandise prepared, displayed and sold at the Restaurant and in customer service and cleanliness in the Restaurant Strict adherence to these standards and requirements as established by the Franchisor is mandatory In this connection, the Franchisee also agrees to apply his best efforts in the operation and management of the Restaurant to the end that such operation is successful and results in the highest practicable profitability to the Franchisee and to the franchisor, and, in reliance upon such agreements of the Franchisee, the Franchisor agrees that it will apply its best efforts in performance of its obligations under this Agreement The strict and continued adherence to the standards, uniformity and other requirements of this Section is expressly made a condition of this Agreement, the default in the

performance of which will be grounds for termination of this Agreement as provided in Section 10

(B) Equipment The Franchisee will acquire from sources approved by the Franchisor, by purchase or lease, machinery, equipment, furnishings, signs and other personal property [hereafter collectively called "equipment"] The Franchisor will furnish the Franchisee a complete list of all equipment which must be used in the operation of the franchised restaurant Franchisee agrees to maintain such equipment in excellent working conditions As items of equipment become obsolete or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially the same types and kinds of equipment All equipment used in the franchised restaurant shall meet the Franchisor's specifications

(C) Restaurant Premises With respect to the Restaurant premises, the Franchisee agrees that the premises shall

(1) Be maintained in strict compliance with regard to appearance and format as a "Perko's" restaurant and be used exclusively for the operation of a "Perko's" restaurant and for no other purpose,

(2) Be kept in good repair and maintained at all times by the Franchisee in a clean, neat and attractive manner in accordance with standards set out by the Franchisor, and

(3) Not be altered or changed in appearance or characteristics without the prior written consent of the Franchisor, and this prohibition shall apply to any and all additions or replacements of equipment, floor coverings, coverings, signs and exterior and interior decor in the Restaurant

(4) Franchisor reserves the right to inspect the Franchisee's Restaurant at any time, without notice, to ensure that the Restaurant is in compliance with the terms of this Agreement and with "Perko's" standards

(D) Quality Control The Franchisee shall, in his operation of the Restaurant, adhere to the strictest standards of cleanliness, quality control and appearance with respect to the care, storage, preparation and service of food, beverages and other commodities In this connection, the Franchisee agrees to strictly adhere to all health, cleanliness and other requirements of any governmental agency or political subdivision applicable to the operation of the Restaurant

(E) Designated Purveyors Upon the execution hereof, the Franchisor has furnished Franchisee a list of Designated Purveyors from whom Franchisee must purchase all equipment, food, beverage and supply items used in the operation and maintenance of the franchised restaurant The Franchisor shall periodically update its list of Designated Purveyors and furnish such updated lists to Franchisee, not less frequently than every six months Franchisor shall have no financial or ownership interest in any Designated Purveyor, nor shall the Franchisor receive any

secret or undisclosed rebates or other undisclosed consideration from any Designated Purveyor Designated Purveyors will, however, pay to Franchisor certain promotional allowances which Franchisor shall retain, without sharing same with Franchisee If Franchisee gives the Franchisor notice sufficiently in advance to permit purveyor and specification verification and testing, that Franchisee wishes to purchase equipment, food, beverage or supplies from reputable, dependable sources other than Franchisor's Designated Purveyors, the Franchisor will not unreasonably withhold the prompt approval of such vendors as Designated Purveyors from whom Franchisee may purchase goods, provided such goods conform to the appearance, quality, size or portion, and where applicable, taste, and uniformity standards and other specification of the Franchisor The Franchisee must follow the designated protocol as outlined in the Compliance Manual The Franchisor may require that samples from alternative purveyors be delivered to the Franchisor or to a designated independent testing laboratory for testing before approval and use A charge not to exceed the actual cost of the test may be made by the Franchisor or by an independent testing laboratory designated by the Franchisor

(F) Restaurant Hours The Franchisee agrees to keep the Restaurant open to the public seven (7) days per week during the following minimum hours 7 00 A M to 10 00 P M , or, such other hours as directed by the Franchisor

(G) Holiday Hours The Franchisee may, at his election, close the Restaurant on Christmas and Thanksgiving Also, the Franchisee may close the Restaurant when, in his opinion, the same requires repairs or remodeling which cannot reasonably be done if the Restaurant is kept open for business However, before closing the Restaurant for repairs or remodeling, the Franchisee must give the Franchisor written notice of his intention to do so, setting forth the Franchisee's estimate of the number of days the Restaurant will be closed In no event will the Franchisee ever be required to pay the Franchisor any penalty for closing the Restaurant pursuant to this paragraph

7 COVENANTS OF THE FRANCHISOR

In consideration for the payment and performance required of the Franchisee hereunder, the Franchisor shall do each and all of the following things

(1) Building Plan Provide, upon written request by and at Franchisee's expense, a standard building plan for the construction of the Restaurant,

(2) Equipment List Provide a detailed list of equipment to be installed at the Restaurant,

(3) Training Train the Franchisee in the management and operation of the Restaurant,

(4) Statements Furnish the Franchisee with an initial supply of daily check-out sheets, monthly profit and loss statements and inventory records,

(5) List of Purveyors Provide the Franchisee with the list of acceptable food products and supplies to be used in the operation of the Restaurant and those purveyors from whom the Franchisee may purchase the same,

(6) Opening Attend the opening of the Restaurant,

(7) Consults Provide for consultation with the Franchisee a representative of the Franchisor,

(8) Advertise Advertise the trade name of the Franchisor at times and in ways and by means to be determined by the Franchisor to best promote the business of the Franchisor, the Franchisee and all of the Franchisor's other "Perko's" franchisees,

(9) Franchise Meetings From time to time, convene franchisee meetings or seminars, to which the Franchisee shall be invited, for the purpose of disclosing to all in attendance the latest information about food pricing, advertising, franchising and new ideas for more profitable operation, and the like,

(10) Defense of Mark Grant to the Franchisee the exclusive right to use the "Perko's " service mark and trade name at the Restaurant and in the territory covered by this Agreement and defend and hold the Franchisee harmless of and from all unauthorized uses of the trade name and service mark in the territory and elsewhere, and

(11) Enforcement Enforce the standards, rules, procedures and regulations established by the Franchisor against all of its other franchisees to insure protection of the Franchisor's image, public acceptance and goodwill

8 COVENANTS OF THE FRANCHISEE

(A) In consideration for the performance of the Franchisor hereunder the Franchisee shall do each and all of the following things

(1) Use of Mark Use exclusively the "Perko's" service mark and/or the trade name on all signs, advertising materials and service items used by the Franchisee in the franchised business,

(2) Restrictions on Products Serve the menu items, including limited time offerings and promotional specials, specified by the Franchisor, follow all specifications and formulas of the Franchisor as to contents and weight of

unit products served, and sell no other food or drink item or any other merchandise of any kind without the prior written approval of the Franchisor,

(3) Operating Restrictions Use the "Perko's" system and method of food preparation, decoration and service prescribed by the Franchisor,

(4) Restaurant Maintenance Maintain the Restaurant in a clean and sanitary condition and comply with all laws, ordinances and regulations of governing bodies with respect to its operation,

(5) Compliance with the Laws Comply with all state and federal laws regarding the hiring, employment and utilization of employees,

(6) Participation Devote full time and effort to the franchised business and refrain from devoting time and effort to any other business without the prior written consent of the Franchisor,

(7) Advertising At the Franchisee's expense, engage in local advertising as directed and approved by the Franchisor, The Franchisee cannot engage in any advertising, inside or outside of The Restaurant, without obtaining prior written approval from The Franchisor

(8) Lease Termination Refrain from entering into or terminating any lease or sublease for the Restaurant without the Franchisor's prior written consent,

(9) Interior/Exterior Maintenance Maintain the restaurant in a clean and working condition including all equipment, booths, tables, chairs and decor The interior/exterior paint, decor and signage may be updated periodically and the Franchisee agrees to pay for required aesthetic changes as often as every 3 years

(10) Payment of Fees Pay to the Franchisor, its parent, and to any and all affiliates of the Franchisor with whom the Franchisee chooses to do business, all sums due and to become due to each,

(11) POS System Within ten (10) days after issuance of a building permit for the Restaurant, sign a purchase contract for all required restaurant equipment, including a point of sales (POS) and back office system and all required software, as specified by the Franchisor, The Franchisor will have the right to access sales information via the back office system at any time

(12) Financing Obtain a written binding commitment for the financing of the equipment to be placed in the Restaurant, if it is to be financed in whole or

in part,

(13) Furnish Agreements Furnish the Franchisor copies of the contract and commitment mention in paragraphs (11) and (12) above, as soon as the same are obtained,

(14) Training At least ninety (90) days prior to the opening of the Restaurant business, and for an aggregate period of not less than six (6) weeks, participate for not less than eight hours per day, five days per week in on-the-job training at a store to be selected by the Franchisor The Franchisee may designate an individual with whom the Franchisee has entered into a written employment contract for a term of not less than one (1) year to manage the Franchisee's business when opened, to receive the on-the-job training provided for herein, in lieu of the Franchisee's personal participation The Franchisor shall not be required to compensate the Franchisee or his designee for work performed in receiving the on-the-job training Franchisee shall be responsible for the payment of all costs of training and opening of the store as they are incurred The Franchisee further agrees that in the event a new manager is hired to manage the restaurant, said manager shall complete, at the Franchisee's expense, the training requirements described herein

(15) Gift Card Participate in a gift-card program as directed by the Franchisor

(16) Discrimination Refrain from engaging in any kind, type or means of electronic communication in which the Franchisor's trade name is used and which communication also disparages any person because the person belongs to a protected class of persons under the California Fair Employment & Housing Act [e g , race, creed, national origin, sexual orientation, etc] or which communication violates any law, ordinance or regulation

(17) Meetings Attend franchisee meetings as directed by the Franchisor

(B) Liquor License At all times during the term of this Agreement the Franchisee shall cause the franchised business to be licensed by all appropriate governmental agencies for the sale of alcoholic beverages for consumption on the premises [a Type 47, On-Sale General Eating Place License] All of the rights, privileges, responsibilities and duties attendant to any alcoholic beverage license which may be issued to the Franchisee for the Restaurant premises shall be vested in and exercised solely by the Franchisee The Franchisor shall have no have no liability in regards to the serving of alcoholic beverages and The Franchisee is expected to follow all city, county, state and federal guidelines regarding the responsible service of alcohol

9 CONFIDENTIALITY INFORMATION

(A) Franchisee shall keep confidential all of Franchisor's trade secrets, recipes, proprietary information and methods of doing business

(B) At Franchisor's request, Franchisee shall require its principals, managers and any other personnel having access to any confidential information to execute and deliver a confidentiality agreement

(C) Franchisee acknowledges that any failure to comply with the requirements of Sections 8 and 9 of this Agreement shall cause the Franchisor irreparable injury, and Franchisee agrees to pay, in addition to other damages, all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance or injunctive relief for violation of Sections 8 or 9 of this Agreement

10 DEFAULT AND CANCELLATION

(A) Any breach of any term, provision, covenant or condition of this Agreement or the lease or sublease under which the Franchisee enjoys the right to occupy the Restaurant shall constitute a default under this Agreement

(B) The Franchise Agreement can be terminated for good cause Good cause is defined as the failure to cure any default within 60 days' notice Upon the occurrence of any default which the Franchisee fails to cure within sixty days (60) following the Franchisor's giving a written notice thereof to the Franchisee, the Franchisor may, at its option, terminate this Agreement by giving the Franchisee a written notice of such termination, such termination to be deemed effective by and upon the giving of such notice

(1) Grounds for Immediate Termination The following defaults are not curable and are grounds for immediate termination of this agreement (i) The franchisee or the business to which the franchise relates has been the subject of an order for relief in bankruptcy, judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due, (ii) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control, (iii) The franchisor and franchisee agree in writing to terminate the franchise, (iv) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system, (v) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise, (vi) The

franchisee, after curing any failure in accordance with Section 20020 engages in the same noncompliance whether or not such noncompliance is corrected after notice, (vii) The franchisee repeatedly fails to comply with one or more requirements of the franchise, whether or not corrected after notice, (viii) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed), or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy, (ix) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise, (x) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue, or (xi) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety

(C) In the event of termination under Section 10

(1) Any and all obligations of the Franchisor to the Franchisee shall immediately terminate

(2) Any and all rights of the Franchisee under this Agreement shall immediately terminate, except rights given under this Section 10

(3) Franchisor shall have the right, forthwith upon such termination, to take possession of the Restaurant and the supplies, ingredients and inventory found therein, except alcoholic beverages, and to thereafter operate the business as its own for all purposes However, the Franchisor shall pay the Franchisee for the fair value of supplies, ingredients and inventory in the Restaurant at the time the Franchisor takes possession pursuant to the manner required by law, less any offsets to which the Franchisor may lawfully be entitled for damages for breach of contract by the Franchisee Such damages shall include the present value of the royalties and administrative contributions the Franchisor would have received during the unexpired term of this Agreement, less the amount of said damages the Franchisee proves could have been reasonably avoided

(D) Should the Franchisee elect to cancel this Agreement for any reason, and provided that the Franchisee is not himself in default hereunder, he may do so by giving written notice of cancellation to the Franchisor The giving of such notice shall obligate the Franchisee to sell and give an election to the Franchisor to purchase the physical assets and the alcoholic beverage license of the Restaurant for a price determined as follows

(1) The notice of cancellation shall include the name of an appraiser of

Franchisee's choice Upon receipt of the notice the Franchisor, if it elects to purchase, shall likewise designate one appraiser Each appraiser shall forthwith independently determine the fair market value of the physical assets as though they were removed from the Restaurant and placed in storage If the values thus determined do not differ in amount by more than 10% of the smaller appraisal, then the larger appraisal shall be the purchase price to be paid by the Franchisor for the physical assets If they differ by more than 10%, the purchase price shall be the average of the appraisals The purchase price for the Franchisee's alcoholic beverage license shall be the price payable to the Department of Alcoholic Beverage Control for a like type license These two amounts shall together be the total purchase price There shall be deducted from the total purchase price any balances owed against the physical assets and all other amounts owed by the Franchisee to the Franchisor, its parent and its affiliates as of the consummation of the sale Payment shall be made in case at the close of the escrow required by the California Business & Professions Code to be established for the sale of these assets Such payment shall constitute payment in full for all of the right, title and interest of the Franchisee in the Restaurant and the franchised business The Franchisee shall assign to the Franchisor his lease or sublease to the location by a document to be deposited into the escrow mentioned above, for delivery to Franchisor at the closing The Franchisor shall reimburse the Franchisee for any sales tax resulting from the sale through cash or credit in the escrow

(2) If the Franchisor does not elect to purchase the franchised business in accordance with the foregoing provisions, the Franchisee may dispose of the physical assets and alcoholic beverage license of the business as he sees fit, free from any restrictions hereunder However, the Franchisee may not transfer any rights of use of the Franchisor's trade name, service mark, recipes or menu, and the Franchisee shall cease doing business as a "Perko's" restaurant within forty-five (45) days after receipt of notice from the Franchisor declining to purchase the Franchisee's physical assets and alcoholic beverage license

11 ASSIGNMENT

(A) Assignment by Franchisor This Agreement and all rights hereunder may be assigned by the Franchisor, provided the assignee expressly assumes and agrees to be bound by the terms and conditions of this Agreement and a copy of such assignment and assumption is delivered to the Franchisee

(B) General Prohibition on Assignment by Franchisee

(1) Franchisee shall not assign this Agreement or any rights or interest herein,

except in compliance with this Section 11 For the purpose of this Agreement, each of the following shall be deemed to be an assignment of this Agreement

(a) Any sale, assignment or transfer by Franchisee of or with respect to any of the Franchisee's rights under this Agreement or the delegation of any of the Franchisee's obligations hereunder,

(b) Sale at a judicial sale or under a power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest in this Agreement which results in a disposition of Franchisee's interest herein,

(c) The passing by operation of law to any other party or parties of Franchisee's interest in this Agreement or any part thereof,

(d) Any transfer of equity interest or other act that causes a change in control of the Franchisee (if the Franchisee is a corporation, limited liability company or other entity)

(2) Any assignment of this Agreement other than in accordance with and subject to all of the terms and provisions of this Section 11 shall (i) constitute a breach of this Agreement, (ii) be subject to the provisions of Section 10 above, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party

(C) Transfer to Controlled Business Entity Franchisee may at any time assign and transfer this Agreement to a corporation, limited liability company or other business entity organized and operated for the sole purpose of conducting the franchised business, subject to the following conditions

(1) Franchisee shall be and remain the owner of 51% of the issued and outstanding equity interest of said business entity, and

(2) Such assignment and transfer shall be evidenced by a written instrument, in form satisfactory to Franchisor, in which said business entity expressly assumes all obligations of Franchisee hereunder, whether accrued at the time of such assignment or arising thereafter, and agrees to be bound by all of the terms and provisions of this Agreement A copy of said instrument, executed by both Franchisee and said business entity shall be promptly delivered to Franchisor

(3) No transfer under this Paragraph 11(C) shall be subject to the transfer fee set forth in Paragraph 11(E) hereof

(4) Each owner of the assignee business entity shall sign a Personal Guaranty in a form satisfactory to the Franchisor

(D) Transfers to Heirs Upon Death or Incapacity In the event of the death or incapacity of a fifty percent or more equity owner of Franchisee, and provided that Franchisee has employed at the Restaurant a qualified manager trained in the system, the personal representative of such person shall have 12 months from the date of death or determination of incapacity to either (i) assume and be bound by the terms of this Agreement, or (ii) sell and transfer the franchised business to another person or entity under the conditions set forth in Paragraph 11(E) below If the personal representative elects to assume this Agreement, he shall comply or cause Franchisee's estate to comply with Paragraphs 11(E)(1)-(5) No transfer under this Paragraph 11(D) shall be subject to the transfer fee set forth in Paragraph 11(E)(5)

(E) Franchisor's Consent To Assignment If Franchisee desires or proposes to sell, assign, or transfer his right to operate the franchised business under this Agreement to any other party, except to a controlled business entity as described in Paragraph 11(C), or if Franchisee or the holder of any interest in Franchisee desires or proposes to take any action which would constitute or create an assignment of this Agreement as described in Paragraph 11(B) hereof, Franchisee, or the holders of such interest, as the case may be, shall first notify Franchisor in writing of such proposed sale, assignment, transfer, or other action, setting forth in detail the nature of the proposed transaction and the name and address of the proposed purchaser, assignee, or transferee or other party acquiring any interest, and the consideration, if any Upon receipt of Franchisee's written notice of a bona fide offer for a proposed sale, assignment, transfer, or other action, Franchisor shall have a right of first refusal for a period of sixty (60) days to purchase the franchised business upon the terms set forth in the written notice In the event Franchisor does not elect to purchase the franchised business, Franchisor shall not unreasonably withhold consent to the transaction, provided that the following conditions are fulfilled

(1) It shall be demonstrated to the reasonable satisfaction of the Franchisor that the proposed purchaser, assignee, transferee, or person (if an individual) is of good moral character and possesses the business experience and capability, credit standing, health, and financial resources necessary to successfully operate Franchisee's business in accordance with the terms of this Agreement If the proposed purchaser, assignee, or transferee is a business entity, the provisions of the preceding sentence shall apply to the individuals who own or are to own such entity Franchisee shall cooperate with Franchisor in making available such information as the Franchisor may require to make the above-described determinations

(2) If the transferee will be active in the management of the franchised business, the transferee shall have successfully completed the training

course then in effect for franchisees of the Franchisor The Franchisee's manger shall remain in his position until the manager appointed by the Assignee completes any required training

(3) There shall be no existing default in any of the obligations of Franchisee under this Agreement, and all amounts owed to Franchisor and its affiliates and parent are paid in full at or prior to the consummation of such transaction

(4) Such transferee shall have submitted to Franchisor satisfactory evidence that he will acquire and will become entitled to all rights of the Franchisee pertaining to the franchised business If the interest of Franchisee hereunder is to be acquired in whole, the party acquiring such interest shall have executed and delivered to Franchisor a written instrument, in form satisfactory to Franchisor, by which it expressly assumes all obligations of Franchisee hereunder, whether then accrued or thereafter arising, and agrees to be bound by all the terms and provisions of this Agreement and any additional conditions required by the Franchisor at that time

(5) A non-refundable transfer fee of up to $25,000 00 shall have been paid to Franchisor

12 MISCELLANEOUS PROVISIONS

(A) Notices All notices given under this Agreement shall be in writing, served personally on or mailed by certified mail to the other party Mailed notices are effective 48 hours after deposit in the U S mail with postage prepaid and duly addressed as follows

(1) To the Franchisor at 51 Zaca Lane, Suite 140, San Luis Obispo, CA 93401

(2) To the Franchisee at the Restaurant

Either party may change its or his address for notices by giving a notice in the manner described above

(B) Waiver The waiver by either party of any breach of any term, covenant or condition to be performed by the other party shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained The subsequent acceptance by the Franchisor of a payment due to it shall not be deemed to be a waiver of any preceding breach of any term, covenant or condition of this Agreement, other than the failure of the Franchisee to make a timely payment of the amount so accepted, regardless of the Franchisor's knowledge of such preceding breach at the time of acceptance of such amount

(C) Merger This Agreement supersedes any and all other agreements, either oral or

written, between the parties with respect to its subject matter and contains all of the covenants, agreements, terms and conditions between the parties to this Agreement This Agreement may not be amended, except by a further writing signed by the parties

(D) Litigation Forum Should litigation result concerning this Agreement in any way, the prevailing party shall recover from the losing party all costs and expenses, including reasonable attorneys' fees In any such litigation only the County of San Luis Obispo, State of California, where this Agreement was entered into, shall be proper for venue purposes This Agreement shall be governed by the laws of the State of California

(E) Non-Competition Franchisee acknowledges that the franchised concept is distinctive and has been developed by Franchisor at great effort, time and expense, and that Franchisee has regular and continuing access to valuable and confidential information, training, and trade secrets regarding the franchised concept Franchisee recognizes its obligations to keep confidential such information as set forth herein Franchisee further agrees that during the Term of this agreement, Franchisee shall not, either directly or indirectly divert or attempt to divert any business or any customers of the Restaurant to any other person or entity or any other act that is injurious or prejudicial to the goodwill associated with the Marks

(F) Unenforceable Should any part of this Agreement be judicially determined to be illegal, unenforceable or void, that part be deemed to be severed from the other parts, all of which shall remain in full force and effect between the parties

(G) TIME IS OF THE ESSENCE HEREOF

(H) Counterparts This Agreement may be executed in any number of counter-parts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument For all purposes hereof, facsimile signatures shall be deemed to be original signatures

(I) Pronouns Masculine singular pronouns used herein shall be deemed to be neuter, feminine or plural, or a combination thereof, depending upon the makeup of the Franchisee

(J) Personal Guaranty All present and future Owners of a 10% or more (directly or indirectly), in the aggregate, of the equity or voting rights in Franchisee, will execute a written guaranty in a form prescribed by Franchisor, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of Franchisee's obligations to Franchisor's and Franchisor's affiliates For purposes of determining whether said 10% threshold is satisfied, holdings of spouses (and family members who live in the same household) and Affiliates shall be aggregated Upon each transfer or assignment of an interest in Franchisee, or other change in ownership interests in Franchisee, and at any other time upon Franchisor's request, said holders shall re-execute a written guaranty in a form prescribed by Franchisor

13 ARBITRATION

(A) Any dispute arising out of or in connection with this Agreement, including without limitation, any dispute regarding whether the agreement is arbitrable, must be determined by binding confidential arbitration in San Luis Obispo County, California, under the rules for commercial arbitration of the American Arbitration Association, as varied by the express provisions of this clause This arbitration clause does not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction The arbitrator must be an attorney with substantial experience in representing franchisors, franchisees, or both There will be no discovery except that required for an arbitration proceeding by applicable state law unless the parties expressly agree otherwise by a writing signed by officers of the parties rather than by their counsel If proper notice of any hearing has been given, the arbitrator will have full power to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear The arbitrator will have no power to make any award that modifies or suspends the any lawful provision of this Agreement Any award must include interest from the date of any damages incurred for breach of contract and from the date of the award until judgment on the award is paid in full Judgment on any award may be entered by any court of competent jurisdiction The Parties to any Arbitration under this Agreement shall each be responsible for half of the costs of arbitration The prevailing party in arbitration shall be awarded attorney's fees and costs

FRANCHISOR

HERITAGE RESTAURANT BRANDS, LP

By HERITAGE RESTAURANT BRANDS, LLC, its General Partner

Signed _____
Gregory Graber, manager of Heritage Restaurant Brands, LLC

Dated _____ at _____

FRANCHISEE

By _____
Name

_____
Position in Company

Signed _____

Dated _____ at _____

EXHIBIT C

CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into as of _____, by and between HERITAGE RESTAURANT BRANDS, LP, a California Limited Partnership, (hereinafter "Franchisor") and _____(hereinafter "Franchisee") Franchisor and Franchisee are concurrently entering into a Franchise Agreement dated of even date herewith (or have heretofore entered into such Franchise Agreement), the terms (including definitions) of which are hereby incorporated by reference In case of any inconsistencies between any term of the Franchise Agreement and this Agreement, this Agreement shall control

In consideration of the mutual promises of the parties as set forth in the Franchise Agreement, and of Franchisor's disclosures to Franchisee of certain confidential, proprietary documents and information it is agreed as follows

1 Franchisor owns the franchise known as "Huckleberry's" and has the right to franchise it, including the reproduction and distribution of confidential information relating thereto All tangible things which Franchisor has marked "Confidential" (or words to similar effect) prior to their loan to Franchisee, collectively with their consent, "Confidential Materials" are covered by this Agreement All such Confidential Materials shall remain the property of Franchisor, and are (unless they bear copyright notices) unpublished works nonetheless protected under the U S Copyright Act Confidential Materials include, but are not limited to, the following particularly sensitive documents and things contained therein (as they may be revised or supplemented from time to time hereafter) the Confidential Operations Manual or Franchisee Manual

2 Franchisee shall hold and cause Confidential Materials to be held in the strictest confidence, following instructions in the Confidential Operations Manual or Franchisee Manual for preserving their confidentiality, and maintaining at least the same level of security for them as it maintains for its own most confidential business information Franchisee shall take appropriate precautions to insure that access to Confidential Materials is limited to authorized Franchisee personnel (and with Franchisor's prior written consent, contractors) who have first signed a confidentiality agreement in the form attached as Exhibit 1, and shall then permit access only on a need-to-know basis Franchisee shall maintain a separate file for such confidentiality agreements, and make such file available for inspection and copying by Franchisor, upon written or oral request

3 Neither the Franchisee nor any of its officers, directors, partners, employees, agents, independent contractors or affiliates, or any other person or organizations over which Franchisee has control (collectively, the "Obligors"), shall directly or indirectly use, disclose, copy reproduce or duplicate all or any part of the Confidential Materials for any purpose not associated with complying with the Franchisee's duties under the Franchise Agreement, or disseminate, loan, assign, reveal or disclose all or any part of the Confidential Materials to any person or organization not licensed or affiliated with Franchisor unless with the express written consent of Franchisor Additional copies or reprints of Confidential Materials may be obtained only from Franchisor, if

needed If Franchisor permits Franchisee to cause derivative works to be prepared from Confidential Materials(for example, architectural and construction plans) such works shall be created as a work-made-for hire (if by an independent contractor, under a written agreement so stipulating) and Franchisee shall at the conclusion of such work assign all copyrights therein to Franchisor (including, but not without limitation, first publication rights and the right to make copies)

4 If Franchisee is licensed to use any proprietary computer programs of Franchisor, Obligors shall not attempt to translate, decompile, decode, modify, merge, or otherwise alter the object of such program

5 Franchisee shall use its best efforts to collect all copies of Confidential Materials from each employee and independent contractor permitted access to them, at or prior to termination of such employment or retention Upon termination of the Franchise (or earlier as requested by Franchisor), Franchisee shall return to Franchisor at Franchisee's expense or destroy (as Franchisor directs) any and all copies of Confidential Materials, and all other tangible things containing information from or otherwise derived from such Confidential Materials, then in Franchisee's actual or constructive possession

6 In the event that any Obligor shall breach this Agreement, or separately signed Confidentiality Agreement in the form of Exhibit 1, or in the event that such breach appears to be imminent, Franchisor shall be entitled to all legal and equitable remedies afforded by the laws as a consequence of such breach or imminent breach, and may, in addition to any and all other forms of relief, recover from the breaching Obligor all reasonable costs and attorney fees incurred by Franchisor in seeking any such remedy Franchisee acknowledges that Confidential materials may contain Franchisor's commercially valuable trade secrets and that unauthorized use or disclosure of all or any part of them would cause great and irreparable injury, for which there may be no adequate remedy at law

7 While some of the information contained in the Confidential Materials may already be known by Franchisee or its personnel or be in the public domain, Franchisee acknowledges that the compilation of that information in Confidential Materials has cost Franchisor great efforts and expense, and affords the person to whom the Confidential Materials are disclosed, including the Obligors, a competitive advantage over persons who do not know the information or have the compilation contained in the Confidential Materials Franchisee and the Obligors shall be labile for damages sustained by Franchisor as a result of willful or negligent publication or dissemination of the Confidential Materials or any information contained therein In any proceeding involving the causes of action described in this Exhibit A, the burden of proof shall be on the party opposed to Franchisor in any claim that the Confidential Materials or any information contained therein is not confidential or secret

8 This Agreement shall remain in effect from the above date until the termination of the Franchise Agreement mentioned above and thereafter for the lesser of ten (10) years or the longest time permitted by applicable law Confidential Materials describing a food or beverage

recipe, list of ingredients, and preparation and serving instructions shall remain secret and confidential forever, unless Franchisor causes the same to be disclosed without confidentiality restrictions It shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, heirs, successors and assigns

9 This Agreement shall be governed for all purposes by the laws of the State of California If any provision of this Agreement is declared void, or otherwise unenforceable, such provision shall be deemed to have been severed from this Agreement, which shall otherwise remain in full force and effect

10 Any Franchisee notice, consent request of the like shall be made in writing and shall be sent via first class United States mail or by any courier service having receipted delivery, to Franchisor at 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, Attention Gregory Graber, or to such other address or persons as Franchisor shall advise the undersigned in writing from time to time Notice to or consent from an officer of Franchisee shall be sufficient Notices from Franchisor shall be given in the manner described in the foregoing Franchise Agreement

11 The Franchisee acknowledges and agrees that it has read the foregoing, understands all of his obligations under this Agreement, is duly authorized to sign this Agreement, is willing to receive and use the Confidential Materials in full compliance with the terms of this Agreement

FRANCHISOR	FRANCHISEE
Dated _____	Dated _____
HERITAGE RESTAURANT BRANDS, LP	
By Its General Partner, Heritage Restaurant Brands LLC	By _____ Name of Entity/Individual
Signed _____ Gregory Graber, Manager of Heritage Restaurant Brands, LLC	Signed _____

EXHIBIT "1"
TO CONFIDENTIALITY AGREEMENT

1 I, _____, am either an agent or independent contractor of _____ ("Franchisee"), and in order to induce disclosure to Franchisee of certain confidential proprietary documents and information ("Confidential Materials") owned by HERITAGE RESTAURANT BRANDS, LP , (Franchisor) I represent and warrant to Franchisee for the benefit of Franchisor that

2 I understand that written or otherwise recorded Confidential Materials remain the property of Franchisor and are (unless they bear copyright notices) unpublished works nonetheless protected under the U S Copyright Act, which include valuable Franchisor trade secrets and confidential information I further understand that Franchisor has made and will continue to make substantial investments in developing Confidential Materials, and that the following Confidential Materials (as they may be revised or supplemented by Franchisor from time to time) are particularly sensitive Confidential Operations Manuals and Franchisee Manuals

3 I promise that I will use Confidential Materials and information contained therein only at places designated by Employer, in furtherance of Employer's business, and pursuant to Employer's direction I will not (except as Employer properly directs) copy all or any part of Confidential Materials, or transfer or loan to any other person any Confidential materials which are entrusted to me, If Employer directs me to create works derived from Confidential Materials (for example, architectural and construction plans), such works shall be deemed works-made-for hire and Employer shall own all copyrights in such works, subject to its obligations to assign such rights to Franchisor

4 If my employment or relationship by or with employer terminates or I am no longer assigned to work with Confidential Operations Manual or Franchisee Manual notes, memorandum or the like concerning or derived from them, which are then in my possession or control, I will immediately return all Confidential Materials to Franchisee

5 I will not disclose all or any part of Confidential Materials or information contained therein to any person who is not also employed (directly or an independent contractor) by Franchisee, and then only pursuant to his directions

6 If I am granted access to any Confidential Materials which are computer programs, I will not attempt to translate, de-compile, decode, modify, merge or otherwise alter the object codes of the programs Confidential Operations Manual or Franchisee Manual

7 My obligations to preserve the confidentiality of Confidential Materials and information contained therein will continue for the longest term permitted by applicable law after termination of my employment by Employer, even if that termination is wrongful, but in no event less than ten (10) years I understand that this is not an employment agreement of any kind I understand further that Confidential Materials describing a food or beverage recipe, list of ingredients, and preparation and serving instructions shall remain a secret and confidential forever, unless Franchisor causes the same to be disclosed without secrecy obligations from the disclosure

8 If a dispute arises as to whether particular information in Confidential Materials, used or disclosed by me in violation of this Agreement, is confidential information or a trade secret, I agree that I shall bear the burden of proving that I knew the information prior to first disclosure to me of the Confidential Materials containing it, that I or the Confidential Materials first became publicly known through no wrongful act on my part, or that I independently developed it without reference to any Confidential Materials

9 I shall be liable to Franchisor for damages caused by my willful or negligent use or disclosure of Confidential Materials or information contained therein, in violation of this Agreement

10 This Agreement shall be governed for all purposed by the laws of the State of California, and shall be construed to maximize protection of Franchisor's rights in the Confidential Materials If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed, and the balance of the Agreement shall remain in full force and effect

Dated _____

_____
(Signature of agent or independent contractor)

_____
(Printed name of signor)

CONTINUING GUARANTY

FOR VALUE RECEIVED, and in consideration of Heritage Restaurant Brands, LP, a California limited partnership ("**Franchisor**"), **granting a franchise** to _____ _____, a _____ ("**Franchisee**"), the undersigned, _____ and _____ _____ "**Guarantor**"), agree as follows

1 Guaranty of Obligations

1 1 Guarantor unconditionally, absolutely and irrevocably guarantees the full and prompt payment and performance when due, of all obligations of Franchisee to Franchisor and its affiliates, however created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or in the future existing or due or to become due, including, without limitation, under or in connection with that certain Franchise Agreement dated _____ _____, 20___ (the "**FA**") and each of the documents, instruments and agreements executed and delivered in connection with the FA or this continuing guaranty, as each may be modified, amended, supplemented or replaced from time to time (all such obligations are referred to collectively as the "Obligations"), and all documents evidencing or securing any of the Obligation This continuing guaranty (this "**Continuing Guaranty**") is a guaranty of payment and performance when due and not of collection

1 2 In the event of any default by Franchisee m making payment of, or default by Franchisee in performance of, any of the Obligations, Guarantor agrees on demand by Franchisor to pay and perform all of the Obligations as are then or thereafter become due and owing or are to be performed under the terms of the Obligations Guarantor further agrees to pay all expenses (including reasonable attorneys' fees and expenses) paid or incurred by Franchisor in endeavoring to collect the Obligations, or any part thereof, and in enforcing this Continuing Guaranty

2 Continuing Nature Of Guaranty And Obligations This Continuing Guaranty shall be continuing and shall not be discharged, impaired or affected by (1) the insolvency of Franchisee or the payment in full of all of the Obligations at any time or from time to time, (2) the power or authority or lack thereof of Franchisee to incur the Obligations, (3) the validity or invalidity of any of the Obligations, (4) the existence or non-existence of Franchisee as a legal entity, (5) any statute of limitations affecting the liability of Guarantor or the ability of Franchisor to enforce this Continuing Guaranty, the Obligations or any provision of the Obligations, or (6) any right of offset, counterclaim or defense of Guarantor, including, without limitation, those which have been waived by Guarantor pursuant to Paragraph 4 of this Continuing Guaranty

3 Permitted Actions Of Franchisor Franchisor may from time to time, in its sole discretion and without notice to Guarantor, take any or all of the following actions (1) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to any of the Obligations, (2) extend or renew for one or more periods (whether or not longer than the original period), alter, amend or exchange any of the Obligations, (3) waive, ignore or forbear from taking action or otherwise exercising any of its default rights or remedies with respect to any default by Franchisee under the Obligations, (4) release, waive or

compromise any obligation of Guarantor under this Continuing Guaranty or any obligation of any nature of any other obligor primarily or secondarily obligated with respect to any of the Obligations, (5) demand payment or performance of any of the Obligations from Guarantor at any time or from time to time, whether or not Franchisor shall have exercised any of its rights or remedies with respect to any property securing any of the Obligations or any obligation under this Continuing Guaranty, or (6) proceed against any other obligor primarily or secondarily liable for payment or performance of any of the Obligations

4 Specific Waivers

4 1 Without limiting the generality of any other provision of this Continuing Guaranty, Guarantor expressly waives (I) notice of the acceptance by Franchisor of this Continuing Guaranty, (II) notice of the existence, creation, payment, nonpayment, performance or nonperformance of all or any of the Obligations, (III) presentment, demand, notice of dishonor, protest, notice of protest and all other notices whatsoever with respect to the payment or performance of the Obligations or the amount thereof or any payment or performance by Guarantor under this Agreement, (IV) all diligence in collection or protection of or realization upon the Obligations or any thereof, any obligation under this Agreement or any security for or guaranty of any of the foregoing, (V) any right to direct or affect the manner or timing of Franchisor's enforcement of its rights or remedies, (VI) any and all defenses which would otherwise arise upon the occurrence of any event or contingency described in Paragraph 1 hereof or upon the taking of any action by Franchisor permitted under this Agreement, (VII) any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to Guarantor now or at any time hereafter, including, without limitation, under any suretyship statute of the State of California, and (VIII) all other principles or provisions of law, if any, that conflict with the terms of this Continuing Guaranty, including, without limitation, the effect of any circumstances that mayor might constitute a legal or equitable discharge of a guarantor or surety

4 2 Guarantor waives all rights and defenses arising out of an election of remedies by Franchisor

4 3 Guarantor further waives all rights to revoke this Continuing Guaranty at any time, and all rights to revoke any agreement executed by Guarantor at any time to secure the payment and performance of Guarantor's obligations under this Continuing Guaranty

5 Subordination, Subrogation Guarantor subordinates any and all indebtedness of Franchisee to Guarantor to the full and prompt payment and performance of all of the Obligations Franchisor shall be entitled to receive payment of all Obligations prior to Guarantor's receipt of payment of any amount of any indebtedness of Franchisee to Guarantor Guarantor will not exercise any rights which it may acquire by way of subrogation under this Continuing Guaranty, by any payment hereunder or otherwise, until all of the Obligations have been paid in full, in cash, and Franchisor shall have no further obligations to Franchisee under the Obligations or otherwise

6 Assignment Of Franchisor's Rights Franchisor may, from time to time, without notice to Guarantor, assign or transfer any or all of the Obligations or any interest therein and, notwithstanding any assignment(s) or transfer(s), the Obligations shall be and remain Obligations for the purpose of this Continuing Guaranty Each and every immediate and successive assignee or transferee of any of the Obligations or of any interest therein shall, to the extent of such party's interest in the Obligations be entitled to the benefits of this Continuing Guaranty to the same extent as if such assignee or transferee were Franchisor

7 Indulgences Not Waivers No delay In the exercise of any right or remedy shall operate as a waiver of the such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude other or further exercise of such right or remedy or the exercise of any other right or remedy, nor shall any modification or waiver of any of the provisions of this Continuing Guaranty be binding upon Franchisor, except as expressly set forth In a writing Signed by Franchisor No action of Franchisor permitted under this Continuing Guaranty shall in any way affect or impair the rights of Franchisor or the obligations of Guarantor under this Continuing Guaranty

8 Financial Condition Of Franchisee Guarantor represents and warrants that it is fully aware of the financial condition of Franchisee, and Guarantor delivers this Continuing Guaranty based solely upon its own independent investigation of Franchisee's financial condition Guarantor waives any duty on the part of Franchisor to disclose to Guarantor any facts It may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that any such facts materially Increase the risk beyond that which Guarantor Intends to assume or has reason to believe that such facts are unknown to Guarantor Guarantor knowingly accepts the full range of risk encompassed within a contract of "Continuing Guaranty" which includes, without limitation, the possibility that Franchisee will contract for additional obligations and indebtedness for which Guarantor may be liable hereunder

9 Representation and Warranty Guarantor represents and warrants to Franchisor that this Continuing Guaranty has been duly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms

10 Binding Upon Successors, Death Of Guarantor, Joint And Several

10 1 This Continuing Guaranty shall inure to the benefit of Franchisor and its successors and assigns

10 2 All references herein to Franchisee shall be deemed to include its successors and permitted assigns, and all references herein to Guarantor shall be deemed to include Guarantor and Guarantor's successors and permitted assigns and, upon the death of a Guarantor, the duly appointed representative, executor or administrator of the Guarantor's estate This Continuing Guaranty shall not terminate or be revoked upon the death of a Guarantor, notwithstanding any knowledge by Franchisor of a Guarantor's death

10 3 If there shall be more than one Guarantor (or more than one person or entity comprises Guarantor) under this Agreement, all of the Guarantor's obligations and the other obligations, representations, warranties, covenants and other agreements of any Guarantor under this Agreement shall be joint and several obligations and liabilities of each Guarantor

10 4 In addition and notwithstanding anything to the contrary contained in this Continuing Guaranty or in any other document, instrument or agreement between or among any of Franchisor, Franchisee, Guarantor or any third party, the obligations of Guarantor with respect to the Obligations shall be joint and several with each and every other person or entity that now or hereafter executes a guaranty of any of the Obligations separate from this Continuing Guaranty

11 Governing Law This Continuing Guaranty shall be governed by and construed in accordance with the laws of the State of California Wherever possible each provision of this Continuing Guaranty shall be interpreted as to be effective and valid under applicable law, but if any provision of this Continuing Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Continuing Guaranty

12 ADVICE OF COUNSEL GUARANTOR ACKNOWLEDGES THAT GUARANTOR HAS EITHER OBTAINED THE ADVICE OF COUNSEL OR HAS HAD THE OPPORTUNITY TO OBTAIN SUCH ADVICE IN CONNECTION WITH THE TERMS AND PROVISIONS OF THIS CONTINUING GUARANTY

13 Entire Agreement This Continuing Guaranty contains the complete understanding of the parties hereto with respect to the subject matter herein Guarantor acknowledges that Guarantor is not relying upon any statements or representations of Franchisor not contained in this Continuing Guaranty and that such statements or representations, if any, are of no force or effect and are fully superseded by this Continuing Guaranty this Continuing Guaranty may only be modified by a writing executed by Guarantor and Franchisor

IN WITNESS WHEREOF, Guarantor has executed this Continuing Guaranty this _____ day of _____, _____

"Guarantor"

_____

_____

EXHIBIT D

You may call the Department of Business Oversight, Division of Corporations, of the State of California for information about Heritage Restaurant Brands, LP, and about franchising in California at

Sacramento 95814-4052
1515 K Street, Suite 200
(916) 445-7205, (866) 275-2677

San Francisco 94104-4428
One Sansome Street, Suite 600
(415) 972-8555 (866) 275-2677

Los Angeles 90013-1259
300 Spring Street, Suite 15513
(213) 897-2085 FAX (213) 897-8860

San Diego 92101-3697
1350 Front Street, Room 2034
(619) 525-4233 (866) 275-2677

1-866-ASK-CORP
1-866-275-2677
www dbo ca gov

EXHIBIT E

LIST OF PERKO'S FRANCHISEES
AS OF OCTOBER 1, 2016

Name	Address	Telephone No
Perko's No 102 Happy Bee's, Inc	1321 W 11th Street Tracy, CA 95376	(209) 832-4675
Perko's No 105 Happy Bee's, Inc	4642 Kiernan Salida, CA 95368	(209) 543-3703
Perko's No 106 Happy Bee's, Inc	3848 McHenry Ave Modesto, CA 95356	(209) 577-4533
Perko's No 107 Delano Food Concept, Inc	2343 Girard Delano, CA 93215	(661) 725-9532
Perko's No 114 Mike & Kelly Molina	1825 W Cleveland Madera, CA 93637	(559) 675-8020
Perko's No 115 Jose De La Torre	201 Carlyle Rd Chowchilla, CA 93610	(209) 585-9635
Perko's No 116 Federico & Lambka, LLC	724 Onstott Rd Yuba City, CA 95991	(530) 674-8251
Perko's No 120 Happy Bee's, Inc	2120 Patterson Rd Riverbank, CA 95367	(209) 863-0200
Perko's No 130 Happy Bee's, Inc	151 N Walnut Rd Turlock, CA 95380	(209) 664-9711
Perko's No 131 Happy Bee's, Inc	3500 Oakdale Rd Modesto, CA 95356	(209) 551-3500
Perko's No 132 Happy Bee's, Inc	901 Carpenter Rd , #50 Modesto, CA 95358	(209) 529-3100
Perko's No 134 Federico & Lambka, LLC	8075 Watt Ave Antelope, CA 95843	(916) 332-2100
Perko's No 139 Wasco Food Concept, Inc	2339 Highway 46 Wasco, CA 93280	(661) 758-1983
Perko's No 154	824 E Mono Way	(209) 532-2718

Name	Address	Telephone No
John Barrow	Sonora, CA 95370	
Perko's No 156 Lambka & Renfroe, LLC	11988 State Highway 88 Jackson, CA 95642	(209) 223-4420
Perko's No 163 Scott Sasaki	910 No Alta Ave Dinuba, CA 93618	(559) 591-2122
Perko's No 164 Porterville Food Concept, Inc	1025 W Henderson Ave Porterville, CA 93257	(559) 781-2011
Perko's No 165 Coalinga Food Concepts, Inc	101 W Polk St Coalinga, CA 93210	(559) 935-3531
Perko's No 186 Ernest Federico	4300 E Waterloo Rd Stockton, CA 95205	(209) 931-5611
Perko's No 187 Allen & Jenny, Inc	625 So Clovis Ave Fresno, CA 93727	(559) 252-8140
Perko's No 188 EAF Sacramento, LLC	9646 Micron Ave Sacramento, CA 95827	(916) 362-3274
Perko's No 189 Perko's Cafe & Grill, Inc	925 3rd Street Sacramento, CA 95814	(916) 491-4001

EXHIBIT F

APPENDIX

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 UNIFORM FRANCHISE DISCLOSURE DOCUMENT

THE FRANCHISE AGREEMENT REQUIRES THAT ALL LITIGATION OCCUR IN SAN LUIS OBISPO COUNTY, CALIFORNIA THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE MAY ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

EXHIBIT G

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 Heritage Restaurant Brands, LP, offers you a franchise, it must provide this disclosure document to you Fourteen calendar-days before you sign a binding with, or make a payment to, the franchisor or an affiliate in connection with the proposed sale

If Heritage Restaurant Brands, LP, 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 the California Department of Corporations

The name, principal business address, and telephone number of each franchise seller offering the franchise is Heritage Restaurant Brands, LP, is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6092, and Gregory Graber, is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6094 , and John Anderson is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6902 , and David Glennon is 51 Zaca Lane, Suite 140, San Luis Obispo, California 93401, telephone number (805) 269-6093

The date of issuance is _____

On _____ (date received) I received a disclosure document dated _____ (issuance date) that included the following Exhibits

Exh A	Franchise Agreement
Exh B	Financial Statements
Exh C	Confidentiality Agreement, Personal Guaranty
Exh D	State Franchise Administrator
Exh E	List of Franchisees
Exh F	Appendix
Exh G	Receipt

Dated _____ _____

_____

_____