TO OUR CALIFORNIA PROSPECTS:

Following is the Heritage Restaurant Brands, LP Franchise Disclosure Document with its Exhibits (FDD) which was issued on January 13, 2022.

Please be advised:

(1) The FDD, with its Exhibits, has been filed with the Department of Financial Protection and Innovation but it has not been made effective;

(2) The information in the FDD and Exhibits has not been reviewed by the Commissioner; and

(3) We will deliver to you an effective FDD with Exhibits at least 14 days prior to execution by you of a binding agreement or payment of any consideration to us, or any person affiliated with us, whichever occurs first, showing all material changes from the FDD and Exhibits that you receive today.

FRANCHISE DISCLOSURE DOCUMENT

Heritage Restaurant Brands, LP
A California Limited Partnership
810 Fiero Lane, Suite 100
San Luis Obispo, CA 93401
(805) 269-6092
inquiries@heritagerb.com
www.perkos.com/franchise.html

You will operate a restaurant that serves breakfast, lunch, and dinner dishes under the Perko's trademarks. The total investment necessary to begin operation of a Perko's franchise ranges from $354,500 to $1,447,000. This includes $35,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin the operation of a Perko's multi-unit development business ranges from $372,000 to $1,464,500 for a require minimum of two (2) Perko's restaurants to be developed. This includes $52,500 that must be paid to the franchisor or an 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 fourteen (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 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: **January 13, 2022**

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Perko's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Perko's franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Spousal Risk Factor**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. The guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

HERITAGE RESTAURANT BRANDS, LP
Franchise Disclosure Document

Table of Contents

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means Heritage Restaurant Brands, LP, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of a Perko's franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited partnership in the State of California on August 8, 2016. Our principal business address is 810 Fiero Lane, Suite 100, San Luis Obispo, California 93401, and our telephone number is 805-269-6092. We do business under our company name, "Perko's" and its associated logos and designs (the "Marks"). We do not own or operate any businesses of the type you will be operating. In addition to the franchise offered by this Disclosure Document, we also offer franchises for "Huckleberry's" and "Cool Hand Luke's" under separate disclosure documents. We began offering franchises for Perko's Café Grill, Huckleberry's and Cool Hand Luke's in September 2016.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates:

We have a predecessor, BRG Franchising, Inc., a California corporation formed on August 1, 1991 as Dynaco Franchising, Inc. Dynaco Franchising, inc. changed its name to BRG Franchising, inc. by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014. Dynaco Franchising, Inc. has a predecessor, Brooks Restaurant Group, Inc., a California corporation formed on April 23, 1973 as Brooks Restaurant Group, Inc. Brooks Restaurant Group, Inc. changed its name to Dynaco, Inc. by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014. Brooks Restaurant Group, Inc. has operated "Perko's" since September 1973, and offered 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., sold over 100 "Perko's" coffee shop franchises. BRG Franchising, Inc., also sold "Huckleberry's" franchises.

Our general partner is Heritage Restaurant Brands, LLC, a California limited liability company with a principal business address at 810 Fiero Lane, Suite 100, San Luis Obispo, California 93401. Heritage Restaurant Brands, LLC was formed May 20, 2016. Heritage Restaurant Brands, LLC, does not operate restaurants of the type being offered, and has not offered franchises in this or any other lines of business previously.

We have operated, through affiliates, Perko's outlets similar to the franchise offered by this Disclosure Document since 2016. We and our affiliates may operate other Perko's concepts, including additional Perko's outlets, in the future.

The Franchise Offered:

We grant franchises for the right to operate a restaurant business serving breakfast, lunch, and dinner under the "Perko's" Marks, using our distinctive operating procedures and standards in limited protected territory and from a single location (the "Franchised Business").

The distinguishing characteristics of the Franchised Business includes our distinctive interior and exterior design, décor, color schemes, graphics, fixtures and furniture, our proprietary products and recipes, operation methods, customer services standards, advertising and marketing specifications, and other standards, specifications, techniques, and procedures that we designate for developing, operating, and managing Perko's outlets, all of which we may change, improve, and further develop (collectively, our "System").

We also offer qualified individuals the right to open a minimum of two (2) Perko's outlets in a designated area under the terms of a multi-unit development agreement. You must sign the then-current form of franchise agreement for each Franchised Business to be developed under the multi-unit development agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Market and Competition:

The market for your Franchised Business consists of the general public who seek quality prepared food in a comfortable, casual setting. Our franchises are located in or adjacent to a major shopping mall, retail strip, shopping center, colleges/universities, food court or, in the alternative, in an urban storefront, and range between 3,000 to 4,000 square feet.

Food service businesses are highly competitive with constantly changing market conditions. You will compete with businesses, including national, regional and local businesses, offering products and services similar to those offered by your Franchised Business including other sit-down restaurants, quick-service restaurants, supermarkets and other establishments that offer prepared food for on- or off-premises consumption. There are many food service franchises, as well as independent businesses throughout the United States that may offer similar products and services to those offered by your Franchised Business. The market for our products and services is not seasonal, but may be affected by changes in consumer tastes, demographics and other economic conditions.

Industry Specific Regulations:

At all times during the operation of your Franchised Business, you must comply with all laws and regulations for proper food storage, preparation and service. You and your employees must obtain a ServSafe® Food Handler certification. If you elect to offer alcoholic beverages at the Franchised Business, and we consent to such offerings, you must obtain all required licenses to permit sales, service and consumption of alcohol at your Franchised Business location.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and serve and foodservice establishment sanitary conditions. State and local agencies inspect foodservice establishments to ensure that they comply with these laws and regulations. Some state and local authorities have adopted, or are considering adopting, laws or regulations that could affect: the content or make-up of food served at your Perko's restaurant, such as the level of trans fat contained in a food item; general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as “low calorie” or “fat free”; and the posting of calorie and other nutritional information on menus.

ITEM 2: BUSINESS EXPERIENCE

Founder & Chief Executive Officer: Gregory Graber

Employer	Start/End Date	Title	Location
Heritage Restaurant Brands, LP	August 2016 to Present	Chief Executive Officer	San Luis Obispo, CA
Heritage Restaurant Brands, LLC	October 2016 to Present	Chief Executive Officer	San Luis Obispo, CA

Chief Financial Officer: John “Chip” Edward Anderson

Employer	Start/End Date	Title	Location
Heritage Restaurant Brands, LP	August 2016 to Present	Chief Financial Officer	San Luis Obispo, CA
Heritage Restaurant Brands, LLC	October 2016 to Present	Chief Financial Officer	San Luis Obispo, CA

Chief Operating Officer: David Richard Glennon

Employer	Start/End Date	Title	Location
Heritage Restaurant Brands, LP	August 2016 to Present	Chief Operating Officer	San Luis Obispo, CA
Heritage Restaurant Brands, LLC	October 2016 to Present	Chief Operating Officer	San Luis Obispo, CA

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

In Re Dynaco, Inc.; Case No. 11-62472-A-11; United States Bankruptcy Court for the Eastern District of California. On November 21, 2011, our predecessor, Dynaco, Inc. filed a petition to reorganize under Chapter 11 of the Bankruptcy Code seeking relief from failure to abide by certain borrowing obligations in its agreements with WestBank America, and the Bank's initiating foreclosure proceedings as a result thereof.

On September 5, 2012, the Bankruptcy Court approved our predecessor's reorganization plan (the "Plan"), and ordered the Plan 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., as immediate successor to Dynaco, Inc., has performed all its obligations under the Plan, and the Plan was completed as of December 31, 2015.

Other than the above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is Thirty-Five Thousand Dollars ($35,000.00). This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

We will charge you a development fee ("Development Fee") when you sign the Multi-Unit Development Agreement. The Development Fee is an amount equal to Thirty-Five Thousand Dollars ($35,000) for the first Perko's outlet you are to develop under the Multi-Unit Development Agreement, plus Seventeen Thousand Five Hundred Dollars ($17,500) multiplied by the number of additional Perko's outlets you agree to develop. The Development Fee is not refundable under any circumstance. We will grant you a credit of Thirty Five Thousand Dollars ($35,000) against the Initial Franchise Fee payable for the first Franchise Agreement you sign for each Perko's outlet you are to develop under the Multi-Unit Development Agreement, and we will grant you a credit of Seventeen Thousand Five Hundred Dollars ($17,500) against the Initial Franchise Fee payable for each additional Franchise Agreement you sign for each Perko's outlet you are to develop under the Multi-Unit Development Agreement. The balance of the Initial Franchise Fee for each Franchise Agreement is due when you sign the Franchise Agreement.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee[1]	6% of monthly Gross Volume	Monthly on the 15th day of every calendar month for Gross Volume of the prior month.	Payable to us.
Brand Fund Contribution[2]	A minimum percentage of monthly Gross	Monthly on the 15th day of every calendar month for Gross	Brand Fund Contributions are paid directly to the Brand Fund.

Type of Fee	Amount	Due Date	Remarks
	Volume per calendar month. Currently not assessed.	Volume of the prior month.	
Required Minimum Expenditure for Local Marketing and Advertising[3]	A minimum percentage of monthly Gross Volume per calendar month. Currently not assessed.	As incurred.	Payable to third-party suppliers. All advertising must be approved by us. See Item 11.
Advertising Cooperative	As determined by cooperative	As determined by cooperative	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Perko's outlets in a designated geographic area. Any affiliate-owned outlets may participate in an advertising cooperative, in our sole discretion.
Late Charge	$100	As incurred	If you fail to pay us the Continuing Royalty Fee, Brand Fund Contribution, or if you fail to submit your Gross Volume report when due, we may charge you $100 for each late submission in addition to interest charges explained below.
Interest	18% per annum from due date, or maximum allowed by law.	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-Sufficient Funds Fee	$100 per violation	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you an Non-sufficient Funds Fee.
Renewal Fee	$10,000	Upon signing the then-current form franchise agreement.	Payable to us. See Item 17.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	$25,000. For transfers to an entity owned and controlled by the franchisee for convenience purposes or upon the death or disability of the franchisee, the transfer fee is waived.	Upon application to transfer.	Payable to us. See Item 17
Multi-Unit Development Agreement Transfer Fee	50% of then-current initial franchise fee for each remaining unit to be developed under the Multi-Unit Development Agreement.	Upon application to transfer.	Payable to us.
Relocation Fee	Our costs and expenses incurred in approving your relocation.	As incurred	Payable to us.
Initial Training Fee	No charge for initial training of up to 2 individuals two franchise owners and one additional person. You pay all travel and other related expenses incurred by all trainees. The current fee to train additional personnel, who attend the same training session as you, is $250 per person per week.	Travel and related expenses are due as incurred. Fees for training your personnel are due prior to the commencement of training.	Initial training takes place at an existing Perko's restaurant. See Item 11.

Type of Fee	Amount	Due Date	Remarks
Additional Training Fee[4]	Currently $250 per person per week. You pay all other related expenses incurred by you and your personnel to attend training.	As incurred.	Payable to us.
Remedial Training	Our then-current trainer per diem rate plus expenses. Our current per diem rate is $250 per person per week, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training at your premises from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Interim Management Support Fee[5]	Our then-current per diem rate for on-site management, plus expenses. Our current rate is 20% of Gross Volume, plus travel and other expenses.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Continuing Royalty Fee and Brand Fund Contributions), payable to us, if we provide on-site management of your Franchised Business.
Examination of Books and Records	Costs of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns pertaining to the Franchised Business. If an examination reveals that you have understated any Gross Sales report by two percent (2%) or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Testing or Supplier Approval Fee	Our costs and expenses of inspection and testing of a proposed item or vendor.	As incurred.	Payable to us.

Type of Fee	Amount	Due Date	Remarks
Audit and Quality Review Services[6]	Varies.	As incurred	Payable to third-party providers.
Non-Compliance Fee	$500 per failure to comply with any terms of the Franchise Agreement or the Operations Manual.	As incurred	Payable to us. May be assessed per day or per incident, whichever is applicable.
Indemnification[7]	Amount of loss or damages plus costs	As incurred.	Payable to us.
Reimbursement of Cost and Expenses for Non-compliance[8]	Actual costs and expenses, plus additional 10% administrative fee.	As incurred.	Payable to us.
Reimbursement of legal fees and expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As incurred	Payable to us.
Confidential Operating Manual Replacement Fee	$100, or our then-current fee	As incurred	Payable to us.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Currently $0.	As we determine.	We reserve the right to impose a fee for new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, a franchise portal, benchmarking platform or other operations or communications systems.
Insurance	Amount paid by us for your insurance obligations plus additional 10% administrative fee.	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.
Liquidated Damages	Royalty Fees and Brand Fund Contributions for the lesser of (i) the balance of the Term, or (ii) 3 years.	Upon termination of the Franchise Agreement due to your default.	You must pay us the average monthly Royalty Fee and Brand Fund Contributions payable by you for the 12 months prior to your termination multiplied by the lesser of (i) the number of months remaining in the Term, or (ii) 36 months.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

[1] "Gross Volume" means all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted under the Franchise Agreement, including but not limited, any and all other revenues received using our methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. It does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, (iii) properly documented promotional discounts (i.e. coupons) or (iv) properly documented complimented menu items

provided to customers. Gross Volume does not include gift card purchases, at the time of purchase, but Gross Volume does include the redemption amount of purchases made by gift card. If you do not report revenues for the month, then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next period in which you report revenue. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

[2] We reserve the right to establish a Brand Fund. If established, you will be required to contribute to the Brand Fund a minimum percentage of the monthly Gross Volume generated by your Franchised Business. Payments are due at the same and in the same manner as the Royalty Fee. You may be required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your sales for the month, then we will collect 120% of the last Brand Fund collected and settle the balance the next period in which you report sales.

[3] Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter. You may not use social media platforms, such as Facebook, Twitter, LinkedIn, Instagram, blogs or other networking and sharing websites, unless you first receive our written approval to do so and such use is in strict accordance with our requirements.

[4] We may offer mandatory and/or optional additional training programs or a national business meeting or annual convention. The total amount of required ongoing training and/or annual meetings will be five (5) days or less per year, and will be held at a location we designate. We reserve the right to impose a reasonable bee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

[5] In the event of your death or disability, your default of the Franchise Agreement, absence of a qualified general manager, or other reasons, in our sole discretion, we may provide interim on-site management of your Franchise Business.

[6] We reserve the right in the Franchise Agreement to establish quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

[7] You must indemnify and hold us, our affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

[8] In our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business or take steps to modify, alter or de-identify the Franchised Business location upon the termination or expiration of the Franchise

Agreement, if you fail to do so. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Business location.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Single Unit

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$35,000	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement.	Us
Your Training Expenses[2]	$15,000 - $25,000	As required for trans-portation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of transportation, lodging & meals, employees
Lease & Utilities deposits[3]	$17,500 - $20,000	As required by landlord & utility providers	As required by landlord & utility providers	Landlord, Utility providers
Leasehold Improvements, Construction and/or Remodeling[4]	$75,000 - $750,000	As required by supplier, contractor or landlord	Before opening, as required by supplier.	Suppliers, contractor and/or Landlord
Furniture, Fixtures and Equipment[5]	$50,000 - $350,000	As required by supplier	Before opening	Suppliers
Signage[6]	$10,000 - $20,000	As incurred	Before opening	Suppliers
Business Licenses and Permits[7]	$15,000 - $17,000	As required by government agencies	Before opening, as required by government agencies	Government Agencies
POS/Computer System[8]	$25,000 - $35,000	As required by suppliers	Before opening	Suppliers
Initial Inventory[9]	$40,000 - $50,000	As required by suppliers	Before opening	Suppliers, Us
Professional Fees[10]	$40,000 - $80,000	As required by providers	As incurred	Architect, Attorney, Accountant, Other Professional Service Providers

Grand Opening Advertising [11]	$2,000 - $5,000	As required by supplier	As required by supplier	Suppliers
Insurance[12]	$5,000 - $10,000	As required by insurer	Before opening	Insurer
Operating Expenses / Additional Funds – 3 months[13]	$25,000 - $50,000	As incurred	Payroll weekly, other purchases according to agreed-upon terms	Employees, utilities, suppliers, etc.
TOTAL	$354,500 to $1,447,000			

Multi-Unit Development Business

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$52,500	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement.	Us
Your Training Expenses[2]	$15,000 - $25,000	As required for trans-portation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of transportation, lodging & meals, employees
Lease & Utilities deposits[3]	$17,500 - $20,000	As required by landlord & utility providers	As required by landlord & utility providers	Landlord, Utility providers
Leasehold Improvements, Construction and/or Remodeling[4]	$75,000 - $750,000	As required by supplier, contractor or landlord	Before opening, as required by supplier.	Suppliers, contractor and/or Landlord
Furniture, Fixtures and Equipment[5]	$50,000 - $350,000	As required by supplier	Before opening	Suppliers
Signage[6]	$10,000 - $20,000	As incurred	Before opening	Suppliers
Business Licenses and Permits[7]	$15,000 - $17,000	As required by government agencies	Before opening, as required by government agencies	Government Agencies

POS/Computer System[8]	$25,000 - $35,000	As required by suppliers	Before opening	Suppliers
Initial Inventory[9]	$40,000 - $50,000	As required by suppliers	Before opening	Suppliers, Us
Professional Fees[10]	$40,000 - $80,000	As required by providers	As incurred	Architect, Attorney, Accountant, Other Professional Service Providers
Grand Opening Advertising [11]	$2,000 - $5,000	As required by supplier	As required by supplier	Suppliers
Insurance[12]	$5,000 - $10,000	As required by insurer	Before opening	Insurer
Operating Expenses / Additional Funds – 3 months[13]	$25,000 - $50,000	As incurred	Payroll weekly, other purchases according to agreed-upon terms	Employees, utilities, suppliers, etc.
TOTAL	$372,000 to $1,464,500			

[1] Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee. The amounts stated in the single unit table are for one outlet operated pursuant to a single Franchise Agreement. If you sign a Multi-Unit Development Agreement, you will pay a Development Fee based upon the number of Perko's outlets you agree to develop. The amount stated in the table assumes you will develop the minimum of two (2) Perko's outlets. If you choose to develop more than (2) Perko's outlets, the Development Fee will increase for each additional outlet you commit to develop.

[2] The cost of the Initial Training Program for up to two (2) each Franchised Business location is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging, and meals for your trainees. These incidental costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. This estimate includes employee wages.

[3] This estimate represents a one (1) to three (3) month deposit of rent and utilities deposits for a 3,500 to 4,000 square foot location. This estimate is based on the experience of our affiliate-owned outlets. Rental rates may be more or less than this range depending on the location of your Franchised Business. In certain real estate markets, rents may be three times higher or more than the rents on which the estimates in the above table are based. You may also incur real estate broker fees, additional prepayments (e.g., first and/or last month's rent), common area maintenance (CAM) fees, real estate taxes and insurance costs, advertising or promotional fund fees or other costs, depending on the terms of your lease. Pre-paid rent is generally non-refundable while security or other deposits may be refundable either in full or in part depending upon your lease or rental

contract. Utility providers set the amounts of the utility deposits. A credit check may be required by the issuing utility company prior to the initiation of services, or a higher deposit required for first time customers. These costs will vary depending on the type of services required for the facility and the municipality or utility provider from which they are being contracted. We have based our estimate on the experiences of our affiliates. The figures in the chart include deposits that may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water, and other utilities directly; however, some landlords cover some utility charges through operating fees.

[4] This estimate is for the costs for improvements to your Franchised Business location without a tenant improvement allowance from the landlord. We have based our estimates on the historical experience of our affiliates. These estimates are applicable to a site which has been obtained in the "vanilla box" stage, which refers to an interior condition with existing heating/cooling with delivery systems, electrical switches and outlets, a finished ceiling, walls that are prepped for painting and a concrete slab floor. We do not anticipate that you will need the services of a designer or engineer. If your landlord or municipality where your Franchised Business is located requires these services, your leasehold improve costs will be higher.

[5] The furniture, fixtures and equipment required for your Franchised Business including kitchen equipment, at-counter equipment, refrigerators, menu display, initial image enhancement décor items, tables, chairs, and any other equipment that we require in the operation of the Franchised Business.

[6] This estimate is for the cost to produce and mount storefront signage on the exterior of the premises as well as all interior window graphics. The low end of the range assumes pylon signage only.

[7] This is an estimate of the costs of building permits, sign permits and a certificate of occupancy for your premises. Not all locations will require all of these permits, depending on the prior use of the premises and the requirements of local ordinances. This estimate also includes the cost of a local business license. The costs of permits and licenses will vary by location. If you are operating a retail center outlet, and we permit you to offer alcoholic beverages at your Franchised Business, the high end of this estimate includes the costs of required licenses to permit sales, service and consumption of alcohol at your Franchised Business location

[8] This estimate includes the cost of our current required POS system, Aloha POS. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of sales information. We reserve the right to change your requirements for the POS system at any time.

[9] This estimate is for the cost of the initial inventory sufficient for approximately 1-2 months of operation. Your initial inventory will include food and beverage products, paper and plastic products, containers, accessories, merchandise, uniforms and other products utilized in the operation of the store.

[10] You may incur professional fees depending on the scope of work performed, which may include, architecture, legal and accounting fees to review franchise documents and costs of forming a separate legal entity and/or obtaining zoning approval. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location.

We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your franchise.

[11] During the opening of your Franchised Business, we require you to spend at least $2,000 to $5,000 on local advertising and promotional activities in your Territory at the time and in the manner we specify. Thereafter, you are not required to make a minimum expenditure on local advertising; however, we reserve the right to impose such minimum expenditure. You may elect to spend additional amounts to conduct a larger, more elaborate grand opening event. The estimate in the Table includes the cost of promotional materials.

[12] Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The estimate is for the first quarterly premium for required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

[13] This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as rent, utilities, internet service, initial payroll and payroll taxes, Royalties (as described in this disclosure document), Marketing Fund Contributions, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These estimates do not include any compensation to you nor do they include debt service. These items are by no means all inclusive of the extent of possible expenses.

We relied upon the experience of our franchise-owned Perko's outlets to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period.

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

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

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, fixtures, furnishings, ingredients, supplies and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all equipment, fixtures, furnishings, ingredients, supplies and services, including computer systems and certain software, from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, fixtures, furnishings, ingredients, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

We approve suppliers after careful review of the quality of the products they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. If we do not approve any request within 30 days, it is deemed unapproved. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge for our actual costs of product testing and evaluation.

Neither we nor any of our affiliates are currently the sole approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business. None of our officers own any interest in any approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business.

We may derive revenue from your purchase of certain products and services from our designated suppliers. Currently, we receive rebates ranging from $1.65 to $3.90 per gallon of franchisee required purchases from designated vendors of post-mix soft drink products and certain other beverages and products. Additionally, we receive rebates up to three percent (3%) of franchisee required purchases from our designated vendor of certain food items and food service products. In the fiscal year ending September 30, 2021, we received $747,365 in rebate revenue from required purchases by franchisees, which comprised 29% of our total revenue of $2,594,325. We may use these funds to develop and implement marketing and promotional activities designed to benefit the entire Perko's System. These funds will not reduce the payments you must make to us as fee payments under the Franchise Agreement.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 55%-75% of your costs to establish your Franchised Business. In addition, we estimate that your purchase of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 60%-80% of your costs of goods for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Although we have not yet done so, from time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. This includes comprehensive general liability insurance, including public liability, personal injury, advertising injury, liquor liability and products liability with a combined single limit of at least $1,000,000 per occurrence and $2,000,000 aggregate; property and casualty insurance in the amount required to cover the full replacement value of your leasehold improvements, equipment, furniture, fixtures and inventory; and worker's compensation coverage in the limits required by the state in which the Franchised Business is located and operated. Each policy must be written by a responsible carrier or carriers acceptable to us and must name us and our respective officers, directors, partners, agents and employees as additional insured parties, as their interests may appear.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	Not Applicable	11
b. Pre-Opening Purchase/Leases	8.3, 10.5, 12.3.1	Not Applicable	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1, 12.1.3	Article 5	11
d. Initial and Ongoing Training	Article 7	Not Applicable	11
e. Opening	8.2.3, 8.3	Not Applicable	11
f. Fees	5.1, 5.2.7, Article 6, 12.3.7, 12.6, 15.6, 16.4, 18.1.4, 18.1.5, 18.1.8, 19.1.5	Article 4	5, 6, 7

Obligation	Section or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
g. Compliance with Standards and Policies/Operating Manual	Article 9, 12.1, 19.1.1	Not Applicable	8, 11
h. Trademarks and Proprietary Information	9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4	Not Applicable	13, 14
i. Restrictions on Products/Services Offered	12.1.1, 12.1.4, 12.6	Not Applicable	8
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	Article 5	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	Not Applicable	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	Not Applicable	Item 11
n. Insurance	Article 15	Not Applicable	7
o. Advertising	12.1.9, Article 13	Not Applicable	6, 11
p. Indemnification	15.6, 16.3.6, 21.1	Article 9	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	Not Applicable	11, 15
r. Records /Reports	12.2	Not Applicable	6
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	Not Applicable	6, 11
t. Transfer	Article 16	Article 6	17

Obligation	Section or Article in Franchise Agreement	Section or Article in Multi-Unit Development Agreement	Item in Franchise Disclosure Document
u. Renewal	Article 5	Not Applicable	17
v. Post-Termination Obligations	Article 18	Section 7.4	17
w. Non-Competition Covenants	19.5	Article 8	17
x. Dispute Resolution	Article 20	Article 10	17
y. Guaranty	11.2.6, Attachment 9	Not Applicable	15

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

a. provide you with site selection guidelines and approve a location for your Franchised Business. Within ninety (90) days of signing the Franchise Agreement, you must submit a written request for approval to us describing the proposed location and providing other information about the site that we reasonably request. We will respond within thirty (30) business days, either accepting or rejecting the proposed location. We consider the following factors in approving a site: general location and neighborhood, distance from neighboring franchise territories, proximity to major roads and residential areas, traffic patterns, condition of premises, tenant mix, and demographic characteristics of the area, and lease terms. If you do not identify a site that meets our approval within ninety (90) days of signing the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. We will not own and/or lease a site to you. You are responsible for negotiating a purchase or lease with the owner of a site we approve. (Franchise Agreement, Sections 8.1.2, 8.1.3,10.1).

b. provide you with prototypical plans and specifications for the layout, design, appearance, and signage for your Perko's outlet. You, your architect and your contractor are required to adapt our prototypical plans and specifications for the construction of your premises and obtain permits. We do not adapt plans or obtain permits for you. Your architect and contractor must be approved by us. (Franchise Agreement, Sections 8.2.1, 10.2).

c. provide you access to the Perko's Operations Manual and other manuals and training aids we designate for use in the operation of your Perko's Franchise, as they may be revised from time to time (Franchise Agreement, Section 10.3).

d. provide a written list of equipment, fixtures, furnishings, signage, supplies and products that will be required to open the Franchised Business. We and our affiliates do not deliver or install any of these items (Franchise Agreement, Section 10.5).

e. provide you with initial training at an affiliate- or franchised-owned outlet. We will determine, in our sole discretion, whether you demonstrate sufficient understanding of the training materials to complete the initial training. (Franchise Agreement, Sections 7.1, 7.2).

f. provide you with standards for qualifications and training of your employees. We do not otherwise assist you with employee hiring and training (Franchise Agreement, Section 12.1.6).

g. provide a trainer at your premises for on-site training, supervision and assistance for up to fourteen (14) days during the opening of your Franchised Business. There is no additional fee for on-site opening training, supervision and assistance; however, we reserve the right to require you to pay all costs and expenses incurred by our training personnel during such time, including but not limited to, all transportation, meals and lodging of our personnel (Franchise Agreement, Section 7.3)

Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Perko's outlet is three (3) to twelve (12) months. Factors that may affect this time period include your ability to acquire a site, financing, zoning or other permits; compliance with local ordinances and restrictions; shortages for construction; delivery and installation of fixtures, signs and equipment, and completion of required training. If you have not opened your Franchised Business within twelve (12) months after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.1.2, 8.3 and 8.4)

3. **Obligations After Opening**

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training offered by us for up to five (5) days each year at a location we designate and attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).

b. upon your request, or as we determine to be appropriate, provide remedial on-site training and assistance at your premises. For any on-site remedial training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.5).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, fax, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.6).

d. from time to time, as may become available, provide you with samples or digital artwork, advertising and promotional materials (Franchise Agreement, Section 10.6).

e. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your products, service and premises to ensure that they meet our standards (Franchise Agreement, Section 10.4).

f. provide you with any written specifications for required equipment, fixtures, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.7).

g. recommend maximum prices for products and services at your Perko's outlet, which may vary depending on geographic and other market conditions (Franchise Agreement, Section 12.5).

h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6).

4. **<u>Advertising</u>**

Local Advertising (Franchise Agreement, Sections 13.2 and 13.6)

We require you to spend a minimum of $2,000 to $5,000 on initial local advertising and promotional activities, at the time and in the manner we specify, in the Territory. We do not currently require you to spend a minimum amount on local advertising to promote your Franchised Business, but we reserve the right to establish such a requirement in the future.

Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed "disapproved".

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Perko's franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

System-wide Marketing Fund (Franchise Agreement, Section 13.3)

Although we have not done so yet, we reserve the right to establish a brand fund (the "Brand Fund"). If established, you are required to contribute to the Brand Fund a minimum percentage of monthly Gross Volume generated by your Franchised Business. If established, each Perko's outlet operated by our affiliate or us may contribute to the Brand Fund, in our discretion, but has no obligation to do so.

If established, the Brand Fund will be administered by us. We may use Brand Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs, or other materials intended to improve brand awareness or the System as a whole. We may also use Brand Fund contributions to pay any and all costs of marketing seminars and training programs, market research, and services of advertising and/or public relations agencies. We may further use Brand Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Fund.

If established, the Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Fund contributions.

If established, the Brand Fund will collect and expend the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

If established, we will have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund.

If established, an annual unaudited financial statement of the Brand Fund will be made available to any franchisee upon written request.

Because the Brand Fund has not yet been established, no Brand Fund Contributions were required, made or expended in our most recently concluded fiscal year. Although the Brand Fund, if established, is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

If established, we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry-forward any surplus or deficit to the next fiscal year.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Perko's outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Perko's outlet will have one vote in the cooperative. However, no cooperative will be formed or maintained that result in our affiliate-owned outlets having a controlling voting power. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. There are no current cooperative documents available for you to review.

If we establish a regional advertising fund or cooperative, each Perko's outlet, whether franchise-owned or affiliate-owned, must contribute amounts equal to each outlet's pro-rata share of cooperative advertising costs. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund and required expenditures for local advertising.

Advertising Council (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and outlet profitability. We reserve the right to change or dissolve the council at any time.

5. **Computer Systems** (Franchise Agreement, Section 12.3)

You must purchase the hardware, software, system tools and processes as stated in the Operations Manual. Currently, you are required to have the following hardware and software:

Hardware: General purposes computer or laptop, multi-function laser printer/scanner/copier, high speed internet, point of sale system ("POS System")
Software: digital bookkeeping application, such as Quickbooks Online

You must purchase and use the POS System we specify, and have the latest versions of the hardware, software and computer platforms to operate the POS System. The current POS System requirement is developed by Aloha. The POS System performs a variety of functions, including order management, gift card and loyalty program management, payment processing, bookkeeping, and sales report generation.

You are required to use all software and applications that we specify and pay any subscription fees associated with them. In addition to the software associated with the POS System, we currently require you to use a digital bookkeeping software of your choosing which meets our standards and specifications.

We may in the future modify or establish other sales reporting systems as we deem appropriate, for the accurate and expeditious reporting of Gross Sales and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense. The current approximate costs of the required hardware and software is approximately Twenty-Five Thousand Dollars ($25,000) to Thirty-Five Thousand Dollars ($35,000). Monthly software access fees are approximately $400, subject to increase.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. You must upgrade your computer hardware and software as necessary to operate the most current version of the POS System or any replacements thereto. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your computer, required upgrades to operate our current management and payment processing applications, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

The Aloha POS System allows us to independently and remotely access all of your sales data, including your Gross Sales, through the internet. There are no contractual limitations on our right to have full access to this information. We may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored on the POS System. We own all customer data stored in the POS System.

6. **Table of Contents of Operations Manual**

The Table of Contents of our Perko's Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. As of the date of this Disclosure Document, the Operations Manual has approximately 304 pages.

7. **Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our Initial Training Program, to our satisfaction, at least ninety (90) days before opening your Franchised Business. We will train your trainees at a Perko's outlet in San Luis Obispo, California, operated by our affiliate, and/or at another affiliate-owned or franchised-owned outlet, in our discretion:

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Opening & Closing Procedures	0	10	Existing Restaurant Location
Food Handling, Storage & Cooking Procedures	0	60	Existing Restaurant Location
Produce, Dairy & Bakery Purchasing, Handling & Serving Procedures	0	10	Existing Restaurant Location
Food Preparation & Presentation	0	60	Existing Restaurant Location
How & When to Order Food Products	0	10	Existing Restaurant Location
Customer Relations	0	10	Existing Restaurant Location
Premises Security & Money Handling	0	10	Existing Restaurant Location
Kitchen Equipment Use, Maintenance, & Repair	0	10	Existing Restaurant Location
Health Dept. Requirements	0	8	Existing Restaurant Location
Efficient Use of Utilities	0	8	Existing Restaurant Location

Maintenance of Dining Rooms, Restrooms	0	8	Existing Restaurant Location
Checking Out, Banking, Accounting	0	32	Existing Restaurant Location/HRB Corporate Office
Safety	0	10	Existing Restaurant Location
Total Hours	0	246	

We periodically conduct our Initial Training Program throughout the year, as needed. Training is currently provided under the supervision of David Glennon, whose experience is detailed in Item 2 of this Disclosure Document. We reserve the right to make changes in our training staff as we deem necessary and advisable without prior notice.

Our training materials consist of the operations manual, digital presentations and tutorials, web-based instruction marketing and promotional materials, and any other materials that we believe will be beneficial to our franchisees in the training process. Hands-on training also includes observation and active instruction.

The cost of our instructors and training materials for up to two (2) individuals per Franchised Business, approved prior to opening, is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees is $250 per person per.

If you or your general manager does not complete our Initial Training Program to our satisfaction by demonstrating sufficient understanding of the training material, we reserve the right to terminate the Franchise Agreement; however, we may allow you to repeat the Initial Training Program at an additional fee of $250 per person per week. We also reserve the right to charge a reasonable fee to provide initial training in San Luis Obispo, California or another location we designate, to any manager you appoint, with our approval, after the initial opening of your Franchised Business. Our current fee to provide initial training to any replacement manager is $250 per person per week. You must also pay your manager's travel and personal expenses.

During the opening of your Franchised Business, we will provide you with on-site training, supervision and assistance for opening assistance for up to fourteen (14) days. We will not charge you an additional fee for this on-site opening assistance; however, we reserve the right to require you to pay all costs and expenses incurred by our training personnel during such time, including but not limited to, all transportation, meals and lodging of our personnel.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs that we offer for up to five (5) days each year, and an annual conference or national business meeting for up to five (5) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee, as yet to be determined, for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

ITEM 12: TERRITORY

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

Under the Franchise Agreement, you have the right to establish and operate one (1) Perko's outlet within a territory that will be defined after the location of your Perko's outlet is identified and approved by us (the "Territory"). You are required to find and obtain possession of a specific location for your Franchised Business that meets our site selection criteria and our approval. Your Territory is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Territory is determined on an individual basis taking into account minimum numbers of households, average home prices and household incomes, and other demographic information that we deem advisable. The typical Territory in a densely populated area will be two (2) miles; however, the size of your territory will depend on the general location of your restaurant. Your Territory will be defined and attached to your Franchise Agreement as Attachment 3.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Perko's outlet or grant the right to anyone else to open a Perko's outlet within the Territory. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Mark in the Territory through alternative distribution channels, as discussed below.

If you sign a Multi-Unit Development Agreement, you will not receive an exclusive development area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of your Multi-Unit Development Agreement, provided that you are not in default of your Agreement or development schedule, we will not open another Perko's outlet or grant the right to anyone else to open a Perko's outlet within your development area until the expiration or sooner termination of your Multi-Unit Development Agreement. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Mark in the development area through alternative distribution channels, as discussed below. We will approve the location of each future Perko's outlet to be opened under the Multi-Unit Development Agreement and the Territories for those outlets based on our then-current site criteria.

There is no minimum sales requirement, market penetration or other contingency that will affect your limited protected right to operate in the Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

You may not change the location of your Franchised Business, without our written consent, which we may withhold in our sole discretion. The conditions under which we may allow you to relocate include the following: loss of your premises not due to your default, demographics of the surrounding area, proximity to other Perko's outlets, lease requirements, traffic patterns, vehicular and pedestrian access, proximity to major roads, available parking, and overall suitability. If you wish to relocate, you must identify a new location for the Franchised Business that meets our approval, in accordance with our then-current site selection procedures, within 90 days. If you do not identify a site within this time period, we may terminate the Franchise Agreement. While you are closed for relocation, you must continue to pay us a minimum Royalty Fee and Brand Fund Contribution equal to the average paid during the four (4) calendar quarters immediately preceding the loss of your premises.

Unless you have signed out Multi-Unit Development Agreement, we may, but have no obligation to, consider granting to you the right to establish additional Perko's outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Perko's outlet in an area and at a location we approve. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate Perko's outlets outside of the Territory and may operate other kinds of businesses within the Territory. We and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Mark, including a product or service similar to those you will sell at your Franchised Business. We plan to sell "Huckleberry's" and "Cool Hand Luke's" franchises, which compete with Perko's restaurants, and which we may sell within your Territory. However, we will not sell Huckleberry's or Cool Hand Luke's franchises within a two (2)-mile radius of your Franchised Business.

We and our affiliates may sell products and services under the Mark within or outside the Territory or development area through any method of distribution other than a dedicated Perko's outlet location, such as distribution through retail outlets, including but not limited to, grocery stores; in captive market locations, such as airports, malls, gyms and hospitals; and the Internet ("Alternative Distribution Channels"). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory or development area.

You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, we will include a listing on our website of your Perko's outlet location. You may only solicit sales from customers in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory.

ITEM 13: <u>TRADEMARKS</u>

Under the Franchise Agreement, we license to you the right to use the Marks in the operation of a Perko's outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Perko's service mark, as described below ("Principal Mark"):

Mark	Registration Number	Registration Date	Register

PERKO'S FARM FRESH	5,321,267	October 31, 2017	Principal
PERKO'S CAFE GRILL	5,305,285	October 10, 2017	Principal
	6,385,613	June 15, 2021	Principal

We have registered our principal service marks on the Principal Register of the United States Patent and Trademark Office. We have filed all required affidavits.

You may not use our Principal Mark or other trademarks for any other business, and you may not conduct any other business from your Franchised Business location.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Mark or other trademarks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Mark or other trademarks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Mark or other trademarks licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Mark, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Mark, or to use one or more additional or substitute Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Mark. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Mark or other of our trademarks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Mark or other of our trademarks in a manner material to the franchise.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials, photographs and other written materials. We also claim copyrights and other proprietary rights in our Manual.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect which limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them.

Our mutual obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, formulas, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Perko's outlet; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never (during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated) reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 10).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you personally supervise your Perko's outlet. You may appoint a General Manager to oversee the day-to-day operations of your Perko's outlet, but you must remain active in overseeing the Franchised Business. Your general manager can either be you or someone appointed by you who is acceptable to us. Your general manager must successfully complete our Initial Training Program and all other training courses we require by demonstrating sufficient understanding of the training material. Your general manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. You or your principal(s) must also successfully complete our Initial Training Program and all other training courses we require. If the franchisee is a business entity, your general manager is not required to have an equity interest in the franchisee entity.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 10. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 9.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all products and services that are part of the System, and all services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is 10 years
b.	Renewal or extension of the Term	Sections 5.1 and 5.5	If you are in good standing as defined below, you can renew for one (1) additional term of ten (10) year each, unless we have determined, in our sole discretion, to withdraw from your Territory

	Provision	Section in Franchise Agreement	Summary
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least six months before the end of the term, execute a new franchise agreement, pay us a renewal fee equal to $10,000, continue to have the right to occupy the premises or have received approval from us to relocate, remodel your Franchised Business location, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not acquire a site, do not complete construction and/or open the Franchised Business within required time frames; falsify any report to us; cease operations for 5 days or more, unless the premises are damaged and you apply to relocate; lose possession of the premises, unless you are not at fault for loss and you timely apply to relocate; fail to restore and re-open the Franchised Business within 120 days after a casualty, as may be extended by us; fail to comply with applicable laws; default under any lease for the premises; understate Gross Sales two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use our trademarks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; or terminate the Franchise Agreement without cause.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Perko's franchisee; cease to use our trademarks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all furnishing, fixtures, equipment, inventory and supplies of your Franchised Business; assign, at our option, your telephone numbers, directory and internet listings, and social media accounts and the lease for the location; and pay liquidated damages.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee and its general manager successfully complete our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 1 year following the transfer; our approval of the material terms and conditions of the transfer; landlord's consent of a lease assignment, if applicable; payment of a transfer fee equal to $25,000.

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your furniture, equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of any Perko's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of our trademarks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Perko's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 10 miles of your former Perko's outlet location or any other Perko's outlet location; do any act that could damage the goodwill of our trademarks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 22.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our trademarks at any time upon written notice to you.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 22.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1, 20.2, 20.3, and 20.4	At our option, claims that are not resolved internally may be submitted to binding arbitration at our headquarters, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations, subject to applicable state law.
v.	Choice of forum	Section 20.5	California, subject to applicable state law.
w.	Choice of law	Section 20.5	California law applies, subject to applicable state law.

THE FRANCHISE RELATIONSHIP
(UNDER THE MULTI-UNIT DEVELOPMENT AGREEMENT)

This table lists certain important provisions of the multi-unit development agreement. You should read these provisions in the agreement attached to this disclosure document.

	Provision	Section in Multi-Unit Development Agreement	Summary
a.	Length of the franchise term	Art. 4	As determined by you and us based on the number of Perko's outlets you are to develop.
b.	Renewal or extension of the Term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Section 6.6	The Multi-Unit Development Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Development Rights are transferred within 6 months to a replacement developer that we approve.
f.	Termination by franchisor with cause	Article 7	We may terminate only if you default. The Multi-Unit Development Agreement describes defaults throughout. Please read it carefully.

	Provision	Section in Multi-Unit Development Agreement	Summary
g.	"Cause" defined – curable defaults	Section 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Multi-Unit Development Agreement and described in h. immediately below).
h.	"Cause" defined - non-curable defaults	Sections 7.1 and 7.2	The Multi-Unit Development Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Multi-Unit Development Agreement upon notice to you if you: misrepresent or omit a material fact in applying for the Development Rights; falsify any report to us; fail to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's Perko's outlets, including, but not limited to, the failure to pay taxes; fail to develop the Perko's outlets in accordance with the Mandatory Development Schedule; attempt a transfer in violation of the Franchise Agreement; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; fail to comply with non-competition covenants; default, or your affiliate defaults, under any other agreement, including any Franchise Agreement, with us or any of our affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement; or terminate the Multi-Unit Development Agreement without cause.
i.	Franchisee's obligations on termination/ non-renewal	Section 7.4	Upon termination, you must: cease all development operations and comply with the non-disclosure and non-competition covenants.
j.	Assignment of contract by franchisor	Section 6.1	No restrictions on our right to assign.

	Provision	Section in Multi-Unit Development Agreement	Summary
k.	"Transfer" by franchisee defined	Section 6.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Multi-Unit Development Agreement or Development Rights.
l.	Franchisor approval of transfer by franchisee	Sections 6.2, 6.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying developers; you have paid us all amounts owed; transferee signs our then-current form of Multi-Unit Development Agreement, which may have materially different terms from your Multi-Unit Development Agreement; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; our approval of the material terms and conditions of the transfer; payment of a transfer fee equal to 50% of the then-current initial franchise fee for each remaining outlet in the Development Schedule.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 6.5	You must promptly notify us of any written offer to purchase your Development Rights. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 6.6	The Multi-Unit Development Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Development Rights are transferred within 6 months to a replacement developer that we approve.
q.	Non-competition covenants during the term of the franchise	Section 8.3.1	You may not: divert, or attempt to divert, customers of any Perko's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of our trademarks or System, or disrupt or jeopardize our business or that of our franchisees.

	Provision	Section in Multi-Unit Development Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 8.3.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Perko's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 10 miles of your former Perko's outlet location(s) or any other Perko's outlet location; do any act that could damage the goodwill of our trademarks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Section 12.4	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 12.4	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, and post-termination obligations.
v.	Choice of forum	Section 10.5	California, subject to applicable state law.
w.	Choice of law	Section 10.5	California law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document, the Franchise Agreement and the Multi-Unit Development Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchise's future financial performance or the past performance of company-owned or franchised outlets, not do we 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, 810 Fiero Lane, Suite 100, San Luis Obispo, California 93401, telephone number (805) 269-6094 the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary

For Years 2019-2021

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2019	18	17	-1
	2020	17	13	-4
	2021	13	12	-1
Company Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	18	17	-1
	2020	17	13	-4
	2021	13	12	-1

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)

For Years 2019-2021

State	Year	Total Number of Transfers
CA	2019	1
	2020	0
	2021	0
Total Outlets	2019	1
	2020	0
	2021	0

Table No. 3

Status of Franchised Outlets

For Years 2019-2021

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	2019	18	0	1	0	0	0	17
	2020	17	0	2	1	0	1[1]	13
	2021	13	0	1	0	0	0	12
Totals	2019	18	0	1	0	0	0	17
	2020	17	0	2	1	0	1[1]	13
	2021	13	0	1	0	0	0	12

Table No. 4

Status of Company Owned Outlets

For Years 2019-2021

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
None	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5

Projected Openings

As of September 30, 2021

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

Exhibit F lists the location of each franchised Perko's outlet in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: <u>FINANCIAL STATEMENTS</u>

Exhibit D contains our audited financial statements for the years ended September 30, 2021, 2020 and 2019.

Our fiscal year end is September 30.

ITEM 22: <u>CONTRACTS</u>

Copies of all proposed agreements regarding the franchise offering are included in Exhibit B. These include our Franchise Agreement and all attachments to it (Franchisee Acknowledgment Statement; Mark; Territory Description; General Release; Conditional Assignment of Lease; Statement of Ownership Interests in Franchisee; Internet Advertising, Social Media and Telephone Account Agreement; Spousal Guaranty; and Confidentiality and Non-Compete Agreement). Our Multi-Unit Development Agreement is included in Exhibit C.

ITEM 23: <u>RECEIPT</u>

A receipt in duplicate is attached to this Disclosure Document as Exhibit H. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Heritage Restaurant Brands, LP, 810 Fiero Lane, Suite 100, San Luis Obispo, California 93401, (805) 269-6092.

EXHIBIT A
AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677) www.dfpi.ca.gov | ask.dfpi@dfpi.ca.gov	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT D

FINANCIAL STATEMENTS

EXHIBIT E

PERKO’S OPERATIONS MANUAL

Table of Contents

EXHIBIT F

OUTLETS AS OF SEPTEMBER 30, 2021

Franchised Outlets:

Perko's No. 102 1321 W. 11th Street 209-832-4675
Happy Bee's, Inc. Tracy, CA 95376

Perko's No. 106 3848 McHenry Ave. 209-577-4533
Happy Bee's, Inc. Modesto, CA 95356

Perko's No. 114 1825 W. Cleveland 559-675-8020
Mike & Kelly Molina Madera, CA 93637

Perko's No. 120 2120 Patterson Rd. 209-863-0200
Happy Bee's, Inc. Riverbank, CA 95367

Perko's No. 130 151 N. Walnut Rd. 209-664-9711
Happy Bee's, Inc. Turlock, CA 95380

Perko's No. 131 3500 Oakdale Rd. 209-551-3500
Happy Bee's, Inc. Modesto, CA 95357

Perko's No. 134 8075 Watt Ave. 916-332-2100
Federico & Lambka, LLC Antelope, CA 95843

Perko's No. 156 11988 State Highway 88 209-223-4420
Lambka & Renfroe, LLC Jackson, CA 95642

Perko's No. 163 910 No. Alta Ave. 559-591-2122
Scott Sasaki Dinuba, CA 93618

Perko's No. 186 4300 E. Waterloo Rd. 209-931-5611
Ernest Federico Stockton, CA 95215

Perko's No. 188 9647 Micron Ave. 916-362-3274
EAF Sacramento, LLC Sacramento, CA 95827

Perko's 6215 Sunrise Blvd. 916-721-0670
CH Lugo, Inc. Citrus Heights, CA 95610

Franchise Agreements Signed But Not Open as of September 30, 2021:

Former Franchisees

that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchisee Agreement during the most recently completed fiscal year or has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

Perko's No. 132 901 Carpenter Rd., #50 209-529-3100
Happy Bee's, Inc. Modesto, CA 95351

EXHIBIT G

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

The Department for Financial Protection and innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. The California franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and innovation at www.dfpi.ca.gov.

3. Item 3 is amended to add:

   Neither Franchisor nor any person described in Item 2 of the Disclosure Document 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:

   (a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

   (b) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

   (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

5. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

6. No statement, questionnaire, or acknowledgement signed in connection with the commencement of the franchise relationship shall have the effect of (i)waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any reliance on any statement made by any franchisor, franchise

seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Attachment 1 of the Franchise Agreement contains acknowledgements that are impermissible under the California Franchise Investment Law. California Franchisees will not be required to execute Attachment 1 and if any franchisee does so, franchisor will destroy and not rely on the document.

STATE EFFECTIVE DATES – 2022

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

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

STATE	EFFECTIVE DATE
California	Pending

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of January 13, 2022.

EXHIBIT H
RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Heritage Restaurant Brands, LP offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Gregory Graber 810 Fiero Lane, Suite 100 San Luis Obispo, CA 93401 805-269-6094	Chip Anderson 810 Fiero Lane, Suite 100 San Luis Obispo, CA 93401 805-269-6092	David Glennon 810 Fiero Lane, Suite 100 San Luis Obispo, CA 93401 805-269-6093

Issuance Date: January 13, 2022

I received a Disclosure Document dated ________________, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Attachments 1-10.
EXHIBIT C: Multi-Unit Development Agreement
EXHIBIT D: Financial Statements of Heritage Restaurant Brands, LP
EXHIBIT E: Operations Manual Table of Contents
EXHIBIT F: Outlets as of the date of this Disclosure Document
EXHIBIT G: State Addenda
EXHIBIT H: Receipt

Date Received: ______________________ DATE:______________________________________
(If other than date signed)

____
(Signature of recipient)

____
(Printed name of recipient)

____

____
Legal residence address

Please return signed receipt to Heritage Restaurant Brands, LP
810 Fiero Lane, Suite 100
San Luis Obispo, CA 93401

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Date Received: ______________________ DATE:_____________________________________
(If other than date signed)

____
(Signature of recipient)

____
(Printed name of recipient)

____

____
Legal residence address

KEEP FOR YOUR RECORDS