

FRANCHISE DISCLOSURE DOCUMENT

PCJV USA, LLC

A Delaware limited liability company

8657 Hayden Place

Culver City, California 90232

(323) 951-1155

e-mail: guy@potatocornerusa.com

website: www.potatocornerusa.com



PCJV USA, LLC, a Delaware limited liability company, offers franchises for the operation of Potato Corner Restaurants ("Potato Corner Restaurants") that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products. We offer the rights for 3 different franchises in this Disclosure Document:

Single Restaurant Program. ~~Under the Single Restaurant Program, you will sign a Franchise Agreement for a single Potato Corner Restaurant.~~ The total investment necessary to begin operation of a single Potato Corner Restaurant ranges from \$242,200 to \$829,000. This includes \$45,200 to \$63,000 that must be paid to the franchisor or ~~an~~ its affiliates.

Multi-Unit Development Program. ~~Under the Multi-Unit Development Program, we assign a defined area within which you must develop and open a minimum of 2 to 10 Potato Corner Restaurants at designated venues within a specified period of time.~~ The total investment necessary to begin operation under a Multi-Unit Development Agreement is \$258,200 to \$1,014,000 for developing 2 to 10 or more Restaurants. This includes \$60,200 to \$243,000 that must be paid to the franchisor or ~~an~~ its affiliates.

Mobile Restaurant Program. Under the Mobile Restaurant Program, you will sign a Franchise Agreement to operate a single ~~Potato Corner food truck (a "Mobile Restaurant").~~ The total investment necessary to begin operations of a single Potato Corner food truck (a "Mobile Restaurant") ~~Mobile Restaurant~~ ranges from ~~approximately~~ \$190,600 to \$400,000. This includes \$43,000 to \$55,000 that must be paid to the franchisor or ~~our~~ its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Guy Koren, PCJV USA, LLC, 8657 Hayden Place, Culver City, California 90232; Telephone: 323-951-1155.

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,"¹ which can help you understand how to use this Disclosure Document,² 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: ~~MAY 25, 2023~~ APRIL 17, 2024

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 K.
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 I 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 Potato Corner 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 Potato Corner franchisee?	Item 20 or Exhibit K 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 J.

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 and Multi-Unit Development Agreement require you to resolve disputes with us by mediation and arbitration only in California. Out-of-state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to participate in mediation and arbitration with us in California than in your home state.
2. Spousal Liability. 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. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. Supplier Control. You must purchase all or nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

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.

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), was organized on July 16, 2010, and is the franchisor of Potato Corner Restaurants. To simplify the language in this Disclosure Document, "Franchisor," "we" and "us" means PCJV USA, LLC. "You" or "Franchisee" means the business entity, person or persons who sign the Franchise Agreement. The names and addresses of our agents for service of process appear in Exhibit K to this Disclosure Document.

Franchisor's Parents, Predecessors and Affiliates

~~We have no predecessors or parent companies. Our parent company, GK Capital Group, LLC, a California limited liability company ("GKCG"), was formed on January 13, 2016. GKCG's principal business address is 8657 Hayden Place, Culver City, California 90232. Our affiliate predecessor, Cinco Corporation Inc., a Philippine corporation ("Cinco"), was incorporated in March 1993 as Quatro Food and Resources, Inc. Cinco launched the operation of Potato Corner Restaurants outside of the United States (the "Cinco Restaurants") featuring flavored french fries and other products in the Philippines in 1992 and began to franchise Potato Corner Restaurants in the Philippines in 1993. Cinco's principal business address is 869 Ketarungan Street Plainview, Mendaluyong City, 1550 Philippines. As of the issuance date of this Disclosure Document, Cinco and its affiliates transferred their ownership interest in us to GKCG and assigned their interests in the Cinco Restaurants and the Potato Corner brand to Shakey's Pizza Asia Ventures, Inc., a Philippine corporation ("SPAVI"). -Cinco's affiliate, Potato Corner Global Company, Limited ("PCGC"), was formed in January 8, 2009, to develop franchised Potato Corner Restaurants in international markets. PCGC's principal business address is 1/5 Unit B, 19F, Cheuk Nang Plaza, 250 Hennessey Road, Wanchai, Hong Kong.~~

We were formed to franchise Potato Corner Restaurants in the United States under the trade name "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks"). Cinco ~~owns-granted us a license to use~~ the Potato Corner Marks, copyrights, and know-how associated with Potato Corner Restaurants ~~and has granted us a license to use them~~ to sell franchises for Potato Corner Restaurants in the United States, ~~and has assigned its rights under this license to SPAVI~~. We have offered franchises for sale since 2011. ~~Neither we nor Cinco~~We do not conduct any other business activities. ~~Neither we nor Cinco and~~ have not offered franchises in any other line of business. We do not do business under any other names. Our principal business address is 8657 Hayden Place, Culver City, California 90232.

Our affiliate, PCI Trading, LLC, a Delaware limited liability company ("PC Trading"), was formed on November 8, 2010. PC Trading sells products and supplies to Potato Corner franchisees for their use in the operation of Potato Corner Restaurants. PC Trading's principal business address is 8657 Hayden Place, Culver City, California 90232. PC Trading has not offered franchises in this or any other line of business.

~~We acquired one franchised Potato Corner Restaurant~~We own and operate two Potato Corner Restaurants. The first Potato Corner Restaurant is located at the Stonewood Shopping Center in Downey, California (the "Downey Restaurant"), which we have operated since September 2019. The second Potato Corner Restaurant is located at the Westfield Galleria in Roseville, California (the "Roseville Restaurant") which we have operated since November 2023 in September 2019. We are affiliated with 87 California limited liability

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companies (the "Affiliate Companies") which operate ⁸⁹ Potato Corner Restaurants as franchisees:

- (1) NKM Capital Group, LLC, a California limited liability company (~~"NKM"~~), was organized in ~~July~~ April 2009 and operates two Potato Corner Restaurants in the Santa Anita Mall in Arcadia, California.
- (2) J & K Americana, LLC, a California limited liability company, was organized in April 2014 and operates one Potato Corner Restaurant at the Americana at Brand in Glendale, California.
- (3) J & K Lakewood, LLC, a California limited liability company, was organized in September 2015 and operates one Potato Corner Restaurant in the Lakewood Center Mall in Lakewood, California.
- (4) J & K Ontario, LLC, a California limited liability company, was organized on February 10, 2016 and operates one Potato Corner Restaurant at the Ontario Mills Shopping Center in Ontario, California.
- (5) J & K Valley Fair, LLC, a California limited liability company, was organized in October 2017 and operates one Potato Corner Restaurant at the Westfield Valley Fair Mall in Santa Clara, California.
- ~~(5)~~(6) J & K PC Trucks LLC, a California limited liability company, was organized on July 25, 2017 and operates one food truck in the greater Los Angeles, California area.
- ~~(6)~~(7) HLK Milpitas, LLC, a California limited liability company, was organized on August 5, 2019 and operates one Potato Corner Restaurant at The Great Mall in Milpitas, California.
- ~~(7)~~(8) GK Cerritos, LLC, a California limited liability company was organized on October 13, 2020 and operates one Potato Corner Restaurant at the Los Cerritos Center in Cerritos, California.

The principal business address for ~~NKM, J & K Americana, LLC, J & K Lakewood, LLC, J & K Ontario, LLC, J & K Valley Fair, LLC and J & K PC Trucks LLC~~ the Affiliate Companies is ~~8950 West Olympic Boulevard, Suite 532369 South Doheny Drive, Suite 1331, Beverly Hills, California 90211~~ 90232. ~~The principal business address for HLK Milpitas, LLC and GK Cerritos, LLC is 8950 West Olympic Boulevard, Suite 629, Beverly Hills, California 90211.~~ With the exception of ~~the Cinco Restaurants,~~ the Downey Restaurant, the Roseville Restaurant, and the Arcadia, Glendale, Lakewood, Ontario, Santa Clara, Milpitas and, Cerritos Potato Corner Restaurants, and Los Angeles food truck (the "Affiliate-Owned Restaurants"), neither we nor any of our other affiliates operate Potato Corner Restaurants. The Affiliate Companies have not offered franchises in in this or any other line of business.

Potato Corner System

We and Cinco have developed the Potato Corner system ("Potato Corner System") for the operation of Potato Corner Restaurants that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products under the trade name "Potato Corner" and the Potato Corner Marks. Potato Corner Restaurants operate in leased spaces of approximately 200 to 600 square feet with common area seating in food courts or from kiosks in shopping malls and certain non-traditional venues such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train and bus stations, travel plazas, toll road facilities and other transportation terminals, food service fulfillment centers, educational, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store), cafeterias and casinos ("Non-Traditional Venues").

Potato Corner Franchise Programs

We offer 3 separate franchises in this Disclosure Document, although we may not necessarily grant you the opportunity to purchase under either of these programs.

Single Restaurant Program

Under this program, you will sign a Franchise Agreement (Exhibit A) to operate one Potato Corner Restaurant at a location that you choose and that we accept (a “Franchised Location”).

Multi-Unit Development Program

Under this program, we will assign you a defined area (the “Development Area”) within which you, as a multi-unit developer (“Multi-Unit Developer”), must develop and open a minimum of 2 Potato Corner Restaurants at designated venues (the “Venues”) within a specified period of time. Your rights may be Exclusive Venues (“Exclusive Venues”) or non-exclusive venues (“Non-Exclusive Venues”) within the Development Area, as you and we agree. The Development Area may be one city, one or more counties, or some other defined geographic area. You will generally have the opportunity to develop the number of Potato Corner Restaurants that you choose, although we may not always afford you the opportunity to develop the number of Potato Corner Restaurants that you request. You will sign a Multi-Unit Development Agreement (Exhibit B), that will describe your development area and your development schedule and obligations. You and we will determine the Development Area and the number of Franchised Restaurants that you will develop and open on a case-by-case basis before you sign your Multi-Unit Development Agreement. You must sign a separate Franchise Agreement for each Franchised Restaurant that you will open under the Multi-Unit Development Agreement. The Franchise Agreement for your first Franchised Restaurant will be in the form attached as Exhibit A to this Disclosure Document and must be signed when you sign your Multi-Unit Development Agreement. The Franchise Agreements you will sign for your additional Franchised Restaurants will be signed after we accept the site for each Franchised Restaurant and will be our then-current form of Franchise Agreement that we are then offering to new franchisees, which may contain terms and conditions that are materially different from the form of Franchise Agreement attached to this Disclosure Document as Exhibit A.

Mobile Restaurant Program

If, in our discretion, we determine that your proposed geographic area is suitable for this program, we will assign you a defined geographic area (the “Mobile Territory”) within which you may purchase, open and operate one Potato Corner food truck (a “Mobile Restaurant”). You must purchase or lease a new or used food truck (a “Food Truck”) for your Mobile Restaurant.

Your Mobile Territory may be one or more cities, one or more zip codes or counties, or other defined geographic areas. You and we will determine the Mobile Territory on a case-by-case basis before you sign your Franchise Agreement and Mobile Addendum. You must sign a separate Franchise Agreement and Mobile Addendum for each Mobile Restaurant you will operate. The Franchise Agreement for your first Mobile Restaurant will be in the form attached as Exhibit A to this Disclosure Document. The Mobile Addendum for your first Mobile Restaurant will be in substantially the form attached as Exhibit C. If you request and we

agree to permit you to operate additional Mobile Restaurants, the Franchise Agreements and Mobile Addenda for each additional Mobile Restaurant will be signed after you select and we accept a Mobile Territory for the Mobile Restaurant. The form of agreement for each additional Mobile Restaurant will be our then-current form of Franchise Agreement and Mobile Addendum that we are then offering to new franchisees, which may contain terms and conditions that are materially different from the form of Franchise Agreement attached to this Disclosure Document as Exhibit A and the form of Mobile Addendum attached to this Disclosure Document as Exhibit C.

Potato Corner Restaurants

All provisions of our Franchise Agreement will apply to a Mobile Restaurant unless otherwise stated in the Mobile Addendum. All references to a "Potato Corner Restaurant" or a "Franchised Restaurant" in this Disclosure Document mean a traditional "brick and mortar" Potato Corner Restaurant and/or a Mobile Restaurant unless the context of its use indicates otherwise.

Competition

A typical "brick and mortar" Potato Corner Restaurant will be located in food courts and kiosks in shopping malls and Non-Traditional Venues in leased spaces of approximately 200 to 600 square feet of counter area and food preparation area with common area seating and restrooms. Mobile Restaurants will travel throughout their Mobile Territory. You will compete in the fast casual food business with various established independent local restaurants and regional or national chain outlets specializing in the sale of flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products, as well as with other restaurants and take-out facilities selling all kinds of food or other specialty foods, including well-established national chain outlets and local businesses. Many restaurants sell french fries, baked potatoes and related food and beverage products and competition in the restaurant business in general and the fast casual food industry in particular is intense. In addition, competition for qualified management and supervisors, skilled labor and unskilled labor for the restaurant industry is significant, which may cause labor costs to be higher than average. The supply of suitable locations for restaurants is limited and is subject to increasing demand from other restaurant concepts and non-restaurant retailers.

Special Industry Regulation

Federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Franchised Restaurant, including those that (i) establish general standards, specifications and requirements for the construction, design and maintenance of restaurant premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food and beverages; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (iii) set standards pertaining to employee health and safety; (iv) set standards and requirements for fire safety and general emergency preparedness; (v) govern the use of vending machines; (vi) control the sale of alcoholic beverages; and (vii) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchised Restaurant and should consider both their effect and cost of compliance.

Potato Corner Restaurants may serve craft beer and wine. State alcoholic beverage regulatory authorities administer and enforce laws and regulations that govern the sale of alcoholic beverages. You must use your best efforts to obtain a beer and wine license for your Franchised Restaurant. You must comply with all applicable laws, rules and regulations in your state and locality related to the sale of alcoholic beverages at your Franchised Restaurant.

In addition, you must comply with all local, state, and federal laws that apply to your Franchised Restaurant including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws, including all requirements set forth in the Alcoholic Beverage Control Act and in the California Code of Regulations, Title 4 with regard to the sale of alcoholic beverages. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, etc. You must obtain all required real estate permits, licenses and operational licenses. You must also comply with all menu and menu board labeling laws and rules requiring restaurant operators to disclose certain calorie or other nutritional information about the foods they sell, including, for example, the FDA's Nutrition Labeling of Standard Menu Items in Restaurants and Similar Food Establishments Rule. California law requires each food facility that meets specified criteria (which covers franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards to include the total number of calories. In California, local county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities. Other states and cities may have laws similar to California.

The Nutrition Labeling and Education Act ("NLEA") sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA. The Health Care Reform Bills that became law in March 2010 additionally contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your Franchised Restaurant.

ITEM 2 BUSINESS EXPERIENCE

~~Jose P. Magsaysay, Jr. – Chief Executive Officer and Chief Brand Officer~~

~~Mr. Magsaysay has been our Chief Executive Officer and Chief Brand Officer since our formation in July 2010. From July 2010 to November 2017, he served as our Chairman of the Board. Mr. Magsaysay has also been the Chief Executive Officer of Cinco Corporation in Manila, Philippines from January 2001 to the present.~~

Guy Koren – President & Chief Operating Officer

Mr. Koren has been our President and Chief Operating Office since June 2012.

Ashley Grudnowski – Director of Franchise Development and Corporate Strategy

Ms. Grudnowski has been our Director of Franchise Development and Corporate Strategy since January 2020. From March 2013 to December 2019, Ms. Grudnowski was our Franchise Development Senior Manager.

Justin Lerma – Director of Operations

Mr. Lerma has been our Director of Operations since June 2012.

~~Erlinda S. Bartolome – Corporate Secretary and Franchise Director~~

~~Ms. Bartolome has been our Secretary and Franchise Director since our formation in July 2010. Ms. Bartolome has been employed by Cinco Corporation, in Manila, Philippines since March 1997.~~

~~Jose Miguel Ma G. Montinola – Director~~

~~Mr. Montinola has been our Chief Financial Officer since our formation in July 2010. Mr. Montinola has also been the Chairman of the Board of Directors of Cinco Corporation, in Manila, Philippines from January 2001 to the present. Mr. Montinola was the Chief Executive Officer of Cinco Corporation from January 1997 to December 2000.~~

~~Amir Jacoby – Manager~~

~~Mr. Jacoby has been one of our managers since our formation in July 2010 and has been the President and owner of Noble Builders in Los Angeles, California from November 2006 to the present.~~

Seymour Floyd – Development Consultant

Mr. Floyd has been our Development Consultant since January 2016.

Christopher S. Marshall – District Manager, Franchise Support

Mr. Marshall has been our District Manager, Franchise Support, since February 2019. Since November 2014, Mr. Marshall has also been our Store Manager for the Glendale, California location.

ITEM 3
LITIGATION

State of California Citation and Stipulation, File Org ID.: 96348. On December 10, 2016, we entered into a Stipulation (the “Stipulation”) with the Commissioner of the California Department of Business Oversight (the “Commissioner”) under which we voluntarily agreed to the issuance of a Citation With Desist and Refrain Order and Assessment of Administrative Penalty; Claim for Ancillary Relief (the “Citation”), to submit a form of Notice of Violation to the Commissioner for approval and to send a copy of the approved Notice of Violation to all relevant/affected California franchisees to disclose a number of notice violations, deferral violations and registration violations that occurred between 2011 – 2014 in connection with our sale of franchises in California. In addition, the Citation required us to (i) comply with all provisions of the Stipulation and Citation; (ii) pay the Commissioner an administrative penalty of \$20,000; (iii) appoint a monitor to develop, review and implement policies and procedures, governing books, records and accounts for our franchise sales practices and procedures; (iv) report on our development and implementation of the practices and procedures to the Commissioner for 3 consecutive years; and (v) have experienced franchise attorneys provide our officers and employees involved in offering or selling franchises with an 8 hour, in-person training program regarding compliance with California franchise law, including the offer and sale of franchises, by March 6, 2017. The Commissioner approved the form of Notice of Violation on January 13, 2017 and the Notices were sent to all relevant/affected California franchisees on January 24, 2017. None of the relevant/affected franchisees responded to the California Notice of Violation. Certain of our officers and employees attended an 8 hour, in-person training program on February 24, 2017 regarding compliance with California franchise law, including the offer and sale of franchises. In addition, on January 18, 2017, we appointed a monitor to develop, review and implement policies and procedures, governing books, records and accounts for our franchise sales practices and procedures. On September 27, 2019, the monitor submitted a Final Monitor Report to the Commissioner on our development and implementation of the practices and procedures. We have satisfied all requirements imposed by the Citation.

Cinco Corporation, et al. v. Guy Koren, et al., Los Angeles County Superior Court, No. BC701075, filed April 10, 2018 and PCJV USA, LLC, et al. v. Cinco Corporation, et al., Los Angeles County Superior Court, No. BC701075, filed May 8, 2018. This case involves ~~ds~~ various claims between and among ~~the past and present~~ members, managers, and officers of PCJV USA, LLC, and among other third parties. Cinco initiated this lawsuit, and many of the defendants filed their own cross-complaints. Pursuant to a Settlement and Release Agreement and Membership Interest Purchase Agreement, GKCG purchased all membership interests of Cinco and Cinco's affiliates in us and in PC Trading. The parties agreed to dismiss the complaint and cross-complaints with prejudice after closing of this purchase transaction. The pleadings have been amended several times. Cinco and its claimed subsidiary Potato Corner International, Inc. ("PC International") are suing Koren, the Affiliate Companies and others affiliated with Koren (collectively, the "LA Group"). Cinco and PC International allege Koren gave preferential treatment to the Affiliate Owned Restaurants at our expense and diverted funds, resources and corporate opportunities from us to the Affiliate Companies, and seek damages, injunctive relief and declaratory relief regarding our governing documents. These allegations are denied.

~~One of the principal issues in the case is Koren's and/or the LA Group's consent and right of first refusal rights stemming from certain 2017 transactions involving Cinco's shareholders, on the one hand, and third parties in the Philippines (the "Hernandez Group"), on the other hand. We, Koren, the Affiliate Companies, the LA Group and PC Trading filed cross-complaints against Cinco and its four shareholders (the "Cinco Group"), PC International, the Hernandez Group, Amir Jacoby, Inbal Jacoby, and others which alleges many of the cross-defendants developed and effectuated a scheme to have Koren relieved of his duties as our President, on false pretenses, to prevent Koren and/or the LA Group from exercising their right of first refusal on the Cinco Group's improper sale of their majority ownership in us to outside investors, to allow the Cinco Group's investors to control our operations. The cross-complaints seek damages, injunctive and declaratory relief.~~

~~As of the issuance date of this Disclosure Document, the case is stayed for settlement negotiation among all parties. No trial date is scheduled.~~

Other than the ~~one~~ actions listed above, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Single Restaurant Program

You must pay us a \$30,000 initial franchise fee (the "Initial Franchise Fee") when you sign your Franchise Agreement (Exhibit A) for your Franchised Restaurant. If you are signing the Franchise Agreement for the renewal of an existing franchise, you will pay us a renewal fee in lieu of an Initial Franchise Fee when you sign your renewal Franchise Agreement.

Multi-Unit Development Program

If you agree to develop a minimum of 2 to 10 or more Potato Corner Restaurants under a Multi-Unit Development Agreement, you will pay us an "Exclusive Development Fee" of \$20,000 for each Potato Corner

Restaurant you will develop in an Exclusive Venue within the Development Area, a “Non-Exclusive Development Fee” of \$15,000 for each Potato Corner Restaurant you will develop in a Non-Exclusive Venue within the Development Area, or both an Exclusive Development Fee and a Non-Exclusive Development Fee (collectively, the “Development Fees”) as you and we agree, when you sign the Multi-Unit Development Agreement (Exhibit B). You will not pay us a development fee for your first Potato Corner Restaurant. However, you must sign the Franchise Agreement for your first Franchised Restaurant and pay us the \$30,000 Initial Franchise Fee when you sign the Multi-Unit Development Agreement.

If you sign a Multi-Unit Development Agreement to develop between 2 and 4 Potato Corner Restaurants, you will pay us \$15,000 as an Initial Franchise Fee when you sign a Franchise Agreement for each Potato Corner Restaurant to be developed. If you sign a Multi-Unit Development Agreement to develop between 5 and 9 Potato Corner Restaurants, you will pay us \$10,000 as an Initial Franchise Fee when you sign a Franchise Agreement for each Potato Corner Restaurant to be developed. If you sign a Multi-Unit Development Agreement to develop 10 or more Potato Corner Restaurants, you will pay us \$5,000 as an Initial Franchise Fee when you sign a Franchise Agreement for each Potato Corner Restaurant to be developed. Development Fees and Initial Franchise Fees are summarized as follows:

Restaurant Number	Exclusive Development Fee (per Restaurant)	Non-Exclusive Development Fee (per Restaurant)	Initial Franchise Fee Due on Signing of Each Franchise Agreement
1	\$0	\$0	\$30,000
2 – 4	\$20,000	\$15,000	\$15,000
5 – 9	\$20,000	\$15,000	\$10,000
10+	\$20,000	\$15,000	\$5,000

Mobile Restaurant Program

You must pay us an Initial Franchise Fee of \$30,000 when you sign the Franchise Agreement (Exhibit A) and Mobile Addendum (Exhibit C) for your Mobile Restaurant.

Opening Inventory of Trade Secret Food Ingredients and Potato Corner Proprietary Products

You must purchase your opening inventory of our specially formulated and specially produced proprietary lines of flavoring and seasoning and other food products (collectively, the “Trade Secret Food Ingredients”) from our affiliates before you open your Franchised Restaurant. You must purchase certain equipment, oil, french fries, small wares, sodas, other paper products, CCTV camera, accounting software, sour cream, cheese, sauces, dips, jalapeño, baked potatoes, chicken and seasonings (collectively, the “Potato Corner Proprietary Products”) from our affiliates we designate because they are produced or manufactured according to our trade secrets, proprietary recipes, specifications and/or formulas. The costs for your opening inventory of our Trade Secret Food Ingredients and Potato Corner Proprietary Products will range from \$5,000 to \$10,000.

Software License Fees

You must pay us or our designated vendor \$400 to install the point-of-sale system (“POS System”) and inventory control software we designate for your Franchised Restaurant before you open your Franchised Restaurant. You must also pay us or our designated vendor up to \$600 each calendar month for the continuing right to use the POS System and inventory control software, in addition to fees for other software, as required

by us (the "Software License Fees"). We may increase the amount of the monthly Software License Fees at any time during the term of your Franchise Agreement on 90 days prior notice to you.

On Site Opening Assistance Fee

We will provide on-site training and assistance for your first Franchised Restaurant for up to 2 days after your Franchised Restaurant opens for business to the public at no charge to you. However, if your Franchised Restaurant is more than 100 miles from our corporate office in Culver City, California, you must pay us an on-site opening assistance fee of up to \$5,000 (an "On Site Opening Assistance Fee"). We will not provide on-site opening assistance if you own or operate an existing Potato Corner Restaurant or when you sign a Renewal Franchise Agreement.

Refunds, Different Fees and Financing

~~The Initial Franchise Fee is~~ All fees discussed in this Item 5 are fully earned when paid and ~~is~~ are not refundable, even if you, as a Multi-Unit Developer, fail to open any Potato Corner Restaurants, unless we determine that you (or your managing owner) cannot complete initial training to our satisfaction (and he or she, or a replacement cannot satisfactorily complete a repeat training program), in which case we may terminate your Franchise Agreement and keep 50%~~1/2~~ of the Initial Franchise Fee. We will return the other ~~1/2~~50% to you if you sign our required form of release of claims. We use the proceeds from Initial Franchise Fees to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (i) costs related to developing and improving our services; (ii) expenses of preparing and registering this Disclosure Document; (iii) legal fees; (iv) accounting fees; (v) costs of obtaining and screening franchisees; and (vi) general administrative expenses. The Development Fees are not refundable under any circumstances.

Referral Fees

~~If you are an existing Potato Corner franchisee, we will pay you a \$1,000 referral fee if you refer a new franchise candidate to us. If the new franchise candidate you refer to us signs a Franchise Agreement or Multi-Unit Development Agreement, we will also pay you an additional \$1,000 if you assist us and the franchise candidate in locating a site for the candidate's first Franchised Restaurant. These fees will be paid to you when the candidate signs a Franchise Agreement or Multi-Unit Development Agreement and pays us our Initial Franchise Fee and/or Development Fees. You will not be involved in the sale of the franchise to any candidate after you refer the candidate to us.~~

ITEM 6 OTHER FEES ¹

Name of Fee	Amount	Due Date	Remarks
Royalty Fees ²	Equal to 7% of the "Gross Sales" of your Franchised Restaurant.	The 10 th day of each calendar month, or upon reasonable notice to you, before the 10 th day, of each	"Gross Sales" includes all revenue from the operation of your Franchised Restaurant. Gross Sales do not include bona fide refunds

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Name of Fee	Amount	Due Date	Remarks
		calendar month on the Gross Sales of your Franchised Restaurant during the previous calendar month.	paid to customers, sales or use taxes actually paid to governmental authorities or the retail price of any coupons, gift certificates and vouchers when they are redeemed. Your Royalty Fee will be 6% of the Gross Sales for your second and subsequent Franchised Restaurant if you entered into a Franchise Agreement or Development Agreement prior to the issuance date of this Disclosure Document.
Marketing Fund Fees	New franchisees are not required to contribute to our Marketing Fund.	If required, on the 10 th day of each calendar month on the Gross Sales of your Franchised Restaurant during the immediately preceding calendar month.	We may require you to contribute up to 1% of your Gross Sales to our Marketing Fund at any time during the term of your Franchise Agreement on 90 days' prior written notice to you. Marketing Fund Fees, if required, will be in addition to your Local Store Marketing Expenditures.
Local Store Marketing Expenditures	1% of Gross Sales.	As incurred.	This amount is not paid to us. You must spend an amount equal to 1% of Gross Sales on local promotion and marketing. We may adjust the amount of the Local Store Marketing Expenditures at any time during the term of your Franchise Agreement on 90 days' prior written notice to you, not to exceed 2% of Gross Sales.
<u>Cooperative Marketing Fees</u>	<u>As determined by us and 50% or more of the participating Potato Corner Restaurants in the Cooperative Marketing Program, not to exceed 1% of Gross Sales.</u>	<u>As we designate.</u>	<u>You must contribute to the Cooperative if we establish a Cooperative Marketing Program in the Marketing Coverage Area where your Franchised Restaurant is located. Your contributions will be credited against your required Local Store Marketing Expenditures.</u>
Software License Fee	Up to \$600 per calendar month.	On the 10 th day of each calendar month.	You must purchase (or lease) and install the POS and inventory control software we designate for the Restaurant. We have the right to adjust the amount of the Software License Fee

Name of Fee	Amount	Due Date	Remarks
			at any time during the term of your Franchise Agreement on 90 days' prior written notice to you.
Pre-Opening Additional Initial Training Fee	\$2,500 per additional trainee plus your out-of-pocket expenses, including transportation, food and lodging.	On demand.	We will provide an initial training program (the "Initial Training Program") for up to 2 supervisory or managerial personnel. If you send more than 2 supervisory or managerial personnel to the Initial Training Program, you must pay us a Pre-Opening Additional Initial Training Fee for each additional trainee.
Post-Opening Initial Training Fee	\$2,500 per additional trainee plus your out-of-pocket expenses, including transportation, food and lodging.	On demand.	If you request us to provide additional Initial Training Programs for new or replacement supervisory or managerial personnel after the opening date of a Franchised Restaurant, you must pay us a Post-Opening Initial Training Fee for each additional trainee.
Post-Opening Additional Training Program Daily Fee	\$250 per day for each of our employees who provide Post-Opening Additional Training Programs, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand.	We may require you and your general manager to attend additional and remedial training programs at our discretion.
Manual Replacement Fee	\$200	On demand.	Payable if you misplace the Manuals or fail to return them to us upon demand.
Inspection Fee	\$500 per re-inspection.	On demand.	Payable if we must revisit your Franchised Restaurant for an inspection after you have already been notified of any deficiency or unsatisfactory condition. In addition, you must reimburse us for our out of pocket expenses for the re-inspection.
Late Charge	5% per month plus \$50, but not	Continues to accrue until paid.	Payable if any check, draft, electronic or other payment is unpaid because of

Name of Fee	Amount	Due Date	Remarks
	exceeding the maximum legal rate, which is currently 10% in California, from the date payment was due until paid in full.		insufficient funds or if any sums due to us are not paid promptly when due.
Gross-Up Fees	Varies with circumstances.	On demand.	To insure that we receive a full 7% of Gross Sales as a Royalty Fee, you must pay us the amount of all taxes we must pay on revenue we earn or collect based upon your use of our intellectual property or other intangibles or based upon the existence of your Franchise Agreement.
Insurance	Amount of unpaid premiums and our out of pocket costs.	On demand.	Payable if you fail to maintain required insurance coverage and if we elect to obtain coverage for you.
Renewal Fee (Franchise Agreement)	80% of the then-current Initial Franchise Fee for new franchisees.	When you deliver your renewal notice to.	This renewal fee will be in lieu of an Initial Franchise Fee payable when you renew the term of your Franchise Agreement.
Renewal Fee (Multi-Unit Development Agreement)	80% of the Development Fees and Initial Franchise Fees paid.	When you deliver your renewal notice to us.	This renewal fee will be payable when you renew the term of your Multi-Unit Development Agreement.
Transfer Fee (Franchise Agreement)	80% of the then-current Initial Franchise Fee for new franchisees.	Before transfer.	Payable if you transfer/assign your Franchise Agreement, subject to state law.
Transfer Fee (Multi-Unit Development Agreement)	80% of the Development Fees and Initial Franchise Fees paid.	Before transfer.	Payable if you transfer/assign your Multi-Unit Development Agreement, subject to state law.
Non-Cash Payment System	All costs associated with non-cash payment systems.	As incurred.	You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems we specify.
Default Reimbursement	Our costs and expenses from your default.	Within 5 days after you cure your default or on demand if not cured.	Payable if you default under your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Audit	Cost of audit (estimated to be \$1,000 - \$5,000) <u>plus</u> 5% per month, but not exceeding the maximum legal rate, which is currently 10% in California. ³	On demand.	Payable if an audit shows an understatement of 2% of Gross Sales or more.
Interim Management Fee	To be determined.	As incurred.	Payable if you are in default under your Franchise Agreement and we elect to assume interim management of your Franchised Restaurant during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement.
Sanitation and Food Safety Audits	Cost of the inspection.	On demand.	We may, in our sole discretion, contract with a third party to conduct sanitation and food safety audits during the term of your Franchise Agreement.
New Product and Supplier Testing Fees	Actual cost of inspection testing; \$1,000 must be paid as a deposit before facility inspection.	As incurred.	If you propose to purchase any goods or materials from a supplier that we have not previously approved, we have the right to require an inspection of the supplier's facilities and testing of samples we designate. You must pay us a fee equal to the actual cost of the inspection and testing.
Annual Conference Fee	\$500	Upon demand at least 30 days before the date of the Annual Franchise Conference.	You must pay us a Franchise Conference Fee to reimburse us for a portion of our direct costs to provide the Annual Franchise Conference, whether or not you attend the conference.
Post-Termination Gross Sales Fee	7% of all revenue derived from the operation of the Competitive Business.	15 th day of each calendar month on the Post Termination Gross Sales of the Competitive Business during the preceding calendar month.	Payable if you operate a Competitive Business after the expiration, termination or assignment of your Franchise Agreement in violation of the covenants in your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
<u>Relocation Fee</u>	<u>\$5,000, plus our out-of-pocket expenses, including transportation, food and lodging.</u>	<u>When we approve your request to relocate your Franchised Restaurant.</u>	<u>You must obtain our consent to the relocation of your Franchised Restaurant.</u>
Relocation Assessment	An amount equal to the Royalty Fees you paid for your original Franchised Restaurant during the last preceding calendar year plus an additional 10%.	On demand.	If we consent to a relocation of your Franchised Restaurant, you secure the new Franchised Location and open your replacement Franchised Restaurant at the new Franchised Location within 12 months from the date we approve the new Franchised Location. If you fail to do so, we can bill you for the Relocation Assessment as described in this chart.
Public and Private Offering Fee (Franchise Agreement and Multi-Unit Development Agreement)	\$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering.	Payable for each proposed public or private offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement and/or Multi-Unit Development Agreement.

NOTES:

1. All fees are uniformly imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. None of these fees are imposed by a cooperative.
2. If state or local law in the state in which the Franchised Restaurant is located prohibits or restricts in any way your ability to pay and our ability to collect Royalty Fees or other amounts due to us based on revenue derived from the sale of alcoholic beverages at the Franchised Restaurant, we will reset the amount of the Royalty Fees or other sums payable to us and redefine Gross Sales to exclude the payment of Royalty Fees on revenue derived from the sale of alcoholic beverages to an amount that will have the same basic economic result for both you and us.
3. Interest begins from the date of the underpayment.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

SINGLE POTATO CORNER RESTAURANT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
BUILD-OUT COSTS					
Utility Deposits, Fees & Licenses ¹	\$4,000	\$20,000	Cash	As Incurred	City, County, State
Pre-Construction Cost (Architect, Plans, Permits) ²	\$12,000	\$30,000	As Arranged	As Incurred	Potato Corner Approved Suppliers
Leasehold/Construction ³	\$60,000	\$400,000	As Arranged	As Incurred	Potato Corner Approved General Contractors
FURNITURE, FIXTURES, EQUIPMENT & SIGNAGE					
Exterior Signage	\$10,000	\$35,000	As Arranged	As Incurred	Potato Corner Approved Suppliers
POS System and Software; Back Office Computer, Printer and Related Hardware and Software ⁴	\$14,000	\$20,000	As Arranged	As Incurred	Potato Corner Approved Suppliers
Equipment, Smallwares, Interior Signage, Graphics & Art	\$40,000	\$80,000	As Arranged	As Incurred	Potato Corner Approved Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
OTHER					
Software License Fee ⁵	\$2,200	\$3,000	As Arranged	Before Opening	Us; Potato Corner Approved Suppliers
Opening Inventory-Non-Proprietary Products ⁶	\$8,000	\$15,000	As Arranged	Before Opening	PC Trading; Potato Corner Approved Suppliers
Opening Inventory-Trade Secret Food Ingredients and Potato Corner Proprietary Products ⁶	\$5,000	\$10,000			PC Trading; Potato Corner Approved Suppliers
Office Equipment & Supplies	\$500	\$2,500	As Arranged	Before Opening	Vendors
Grand Opening Marketing ⁷	\$1,000	\$5,000	As Arranged	30 Days Before and 15 Days After Opening	Potato Corner Approved Suppliers
Franchised Location (Security Deposit/3 months' Rent) ⁸	\$20,000	\$60,000	Cash	At Lease Signing	Landlord
Insurance – Liability & Workers compensation (initial deposit)	\$ 1,000	\$ 6,000	Cash	As Incurred	Insurance Carriers
Legal Fees/Organizational Expenses ⁹	\$2,500	\$7,500	Cash	As Incurred	Legal & State
Training Expenses (Travel and Living Expenses) ¹⁰	\$2,000	\$10,000	As Arranged	As Incurred	Airlines, Hotels, Restaurants
On-Site Opening Assistance Fee ¹¹	\$0	\$5,000	Cash	As Incurred	Us
Initial Franchise Fee ¹²	\$30,000	\$30,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ¹³	\$30,000	\$90,000	Cash	As Incurred	Potato Corner Approved Suppliers & Employees
GRAND TOTAL ¹⁴	\$242,200	\$829,000			

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**MULTI-UNIT DEVELOPMENT AGREEMENT
(MINIMUM 2 -10 OR MORE RESTAURANTS)**

YOUR ESTIMATED INITIAL INVESTMENT

The following chart, as an example only, sets forth the total investment necessary to begin operations of your first Potato Corner Restaurant under a Multi-Unit Development Agreement. You will generally have the opportunity to develop 2 to 10 or more Potato Corner Restaurants, although we may not always afford you the opportunity to develop the number that you request. You and we will determine the Development Area and the number of Potato Corner Restaurants that you will develop and open on a case-by-case basis before you sign your Multi-Unit Development Agreement.

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
INITIAL INVESTMENT FOR FIRST POTATO CORNER RESTAURANT					
Initial Investment ¹⁵	\$ 242,200	\$ 829,000	See Above	See Above	See Above
Development Fees ¹²	\$15,000	\$180,000	Cash	At Signing	Us
Additional Legal Fees ⁹	\$1,000	\$5,000	Cash	As Incurred	Legal & State
GRAND TOTAL ¹⁴	\$ 258,200	\$1,014,000			

**MOBILE RESTAURANT
YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Food Truck ¹⁶	\$95,000	\$200,000	As Arranged	As Incurred	Catering Truck Manufacturer
Business and Food Truck Licenses ¹⁷	\$500	\$1,500	Cash	As Incurred	City, County, State
Food Truck Commissary ¹⁸	\$800	\$2,000	Cash	As Incurred	Commissary
Food Storage Space (Offsite Warehouse or Shared Kitchen) ¹⁹	\$800	\$3,000	As Arranged	As Incurred	Potato Corner Approved Suppliers
POS System and Software ⁴	\$14,000	\$20,000	As Arranged	As Incurred	Potato Corner Approved Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Opening Inventory-Non-Proprietary Products ⁶	\$8,000	\$15,000	As Arranged	Before Opening	PC Trading; Potato Corner Approved Suppliers
Opening Inventory-Trade Secret Food Ingredients and Potato Corner Proprietary Products ⁶	\$5,000	\$10,000			PC Trading; Potato Corner Approved Suppliers
Grand Opening Marketing ⁷	\$1,000	\$5,000	As Arranged	Before Opening	Potato Corner Approved Suppliers
Insurance - Liability & Workers compensation (initial deposit)	\$1,000	\$6,000	Cash	Monthly Premium	Insurance Carriers
Legal Fees/Organizational Expenses ⁹	\$2,500	\$7,500	Cash	As Incurred	Legal & State
Training Expenses (Including Travel and Living Expenses) ¹⁰	\$2,000	\$10,000	As Arranged	Before Opening	Various Vendors
Initial Franchise Fee ¹²	\$30,000	\$30,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ¹³	\$30,000	\$90,000	Cash	As Incurred	Potato Corner Approved Suppliers & Employees
Grand Total ¹⁴	\$190,600	\$400,000			

All fees are imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. You authorize us to debit from your designated primary business checking or savings operating account all funds due and payable to us for Royalty Fees and other sums that you owe to us or our affiliates. We currently do not offer financing for any purpose, but reserve the right to do so in the future. We do not guarantee your note, lease or other obligations.

1. These estimates include equipment security deposits, sales tax deposits or bonds, business licenses fees, sewer hookup charges, and utility deposits. These estimates exclude any special connection and/or tap fees and taxes based on projected sales.
2. These estimates include costs for space plan layout, exterior signage, design, architectural, kitchen, mechanical, electrical, plumbing and related drawings, engineering, testing, permit expediter, and city permits

and fees. You must use a licensed architect and designer whom we approve to design and construct your Franchised Restaurant.

3. These estimates include the costs for project and construction management and construction and remodeling a location for a Potato Corner Restaurant to conform to our current standards, including a general contractor's fee; contractor's insurance; materials and supplies; tools; labor and subcontractor fees; and other costs to construct leasehold improvements that conform to our standards. You must perform or have performed any construction, remodeling, or additions necessary to cause the premises to conform to applicable federal, state, county, city, local laws, ordinances, codes, rules and regulations and meet our requirements for the layout design, construction, fixturing, equipment and installation, and the trade dress appearance of a Potato Corner Restaurant. Construction and remodeling costs vary widely depending upon the location, design, the condition and configuration of existing services and facilities such as air conditioning, electrical and plumbing, lease terms and the local real estate market. These estimates presume that you will receive a "vanilla shell" from your landlord for your Potato Corner Restaurant. For purposes of these estimates, a "vanilla shell" for a Potato Corner Restaurant includes leased premises of approximately 200 - 600 square feet, with water, gas, cable and telephone service stubbed to the rear of the premises. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas. Potato Corner Restaurants can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. If you do not receive a "vanilla shell" from your landlord, your leasehold construction costs may substantially exceed these estimates. These estimates do not include demolition expenses.

4. These estimates include the costs to purchase or lease a POS System ("POS System") and business management hardware and software, including installation. Your costs may vary. You must use the POS System and inventory control software that we designate. We can change our designated POS System at any time.

5. You must pay us or our designated vendor a one-time set up fee of \$400 to install the POS Software and inventory control software, and up to \$600 each calendar month for the continuing right to use the POS System and inventory control software, in addition to fees for other software, as we require.

6. You must buy all Trade Secret Food Ingredients from PC Trading or other affiliates we designate at the prices PC Trading and/or the affiliates charge. We restrict your sources of Trade Secret Food Ingredients to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Potato Corner Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. You must also purchase your opening inventory of Potato Corner Proprietary Products from PC Trading or other affiliates we designate. If PC Trading or our other affiliates are unable to provide any of the Trade Secret Food Ingredients or Potato Corner Proprietary Products, we will designate alternative suppliers.

7. At least 60 days before the opening of your Franchised Restaurant, you must submit a grand opening spending plan ("Grand Opening Plan") to us, which outlines your proposal for grand opening marketing and promotion of your Franchised Restaurant. You must obtain our written consent to the Grand Opening Plan before you implement it. You must modify the Grand Opening Plan as we request, and, thereafter, you may not make any substantial changes to the Grand Opening Plan without our advance written consent. You must, during the period beginning 30 days before the scheduled opening of your Franchised Restaurant and

continuing for 15 days after your Franchised Restaurant opens for business, spend \$1,000 to \$5,000 to conduct grand opening marketing and promotion for your Franchised Restaurant.

8. These estimates assume that the site of your Franchised Location will be a leased, unimproved, unfinished food court/kiosk site and are based on the assumption that the Franchised Location will be rented and that the landlord will require ~~2 to 31~~ months' rent as a security deposit. A typical Potato Corner Restaurant will be located in food courts, inlines, and kiosks in shopping malls and Non-Traditional Venues in leased spaces of approximately 200 to 600 square feet of counter area and food preparation area with common area seating and restrooms. Monthly lease payments for Potato Corner Restaurants usually range from \$5,000 to \$15,000 per month. These estimates assume the payment of a security deposit equal to 1 month's rent and rent for 3 months.

9. This estimate includes legal review and negotiation of the lease for the Franchised Location and accounting assistance in setting up your books. Additional Legal Fees in the Multi-Unit Development chart above reflect additional legal costs you may incur as a result of signing a Multi-Unit Development Agreement.

10. This estimate includes the cost of sending your Principal Owner and General Manager to attend our Initial Training Program at an Affiliate-Owned Restaurant in Southern California we select and/or at our corporate office in Culver City, California. You must arrange and pay for the transportation, meals and lodging for you and your supervisory or managerial personnel who attend our Initial Training Program. We do not charge a tuition fee for the Initial Training Program for up to 4 supervisory or managerial personnel selected by you; however, you will be responsible for any salaries, meals, lodging, other living expenses and transportation costs incurred by your supervisory or managerial personnel while attending the Initial Training Program. This estimate does not include the pre-opening training salaries for your General Managers and employees at your Franchised Restaurant.

11. We will provide on-site training and assistance for your first Franchised Restaurant for up to 2 days after your Franchised Restaurant opens for business to the public at no charge to you. However, if your Franchised Restaurant is more than 100 miles from our corporate office in Culver City, California, you must pay us an On-Site Opening Assistance Fee of up to \$5,000. We will not provide on-site opening assistance if you own or operate an existing Potato Corner Restaurant or when you sign a Renewal Franchise Agreement.

12. The Initial Franchise Fee and the Development Fees are described in Item 5 of this Disclosure Document. The Initial Franchise Fee and the Development Fees are not refundable. We generally do not provide financing for the Initial Franchise Fee or Development Fees. We may do so if and when we determine it is warranted by a unique or compelling situation.

13. You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under your Franchise Agreement and to cover the risks and contingencies of your Franchised Restaurant for at least 3 months. The estimates provided above include estimated employee wages, 3 months of inventory (including restaurant equipment, beverage ingredients and food products), facility expenses, opening cash, and other miscellaneous expenses incurred before opening and during the first 3 months of operations. These estimates do not include finance charges, interest and related costs that you may incur if any portion of your initial investment or other recurring monthly operating expenses are financed. These estimates are the minimum recommended amounts needed to cover operating expenses for 3 months. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require

us to include this estimate of all costs and expenses to operate your Franchise during the “initial phase” of your business, which is defined as a 3 month period or longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period” for the restaurant industry, so our disclosure covers a 3 month period.

14. To develop these estimates, we relied on our experience in opening and operating Affiliate-Owned Restaurants in California. We also relied on our franchisees’ experience opening and operating Franchised Restaurants, a majority of which are in California, if and to the extent that they shared this information with us. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

15. The Initial Investment for your first Potato Corner Restaurant developed under a Multi-Unit Development Agreement is taken from the first chart in Item 7, entitled Estimated Initial Investment, Single Potato Corner Restaurant.

16. The prices for food trucks vary based upon the equipment and specifications you choose, options included and health department requirements which may result in changes in design and buildout. You must lease or purchase a new or used Food Truck that is between 16 to 18 feet in length and furnished with designated equipment. The décor and layout of your Mobile Restaurant, the equipment, graphics and detailing, trade dress and signs must comply with our requirements. These estimates include the cost of a light-duty or medium-duty 1/2- or 1-ton panel step-van, the price for which will vary depending upon whether you purchase a new or used step-van, shipping costs, which will vary depending on factors such as fuel costs, freight, and delivery destination, and plan composition, design and the manufacturer’s engineering fees. These estimates do not include the cost of mechanical inspections and/or updates to meet Federal, state and/or local safety and emission standards.

You must secure your own source of financing for your Mobile Restaurant, which we must approve before you sign your purchase and financing documents, or you must pay cash for your Mobile Restaurant. Financing and leasing services may be available through third-party financial institutions and you are welcome to seek funding through such sources at your discretion. Approval, interest rates, finance charges and terms are determined solely by third-party financial institutions. Generally, 20% to 50% of the total purchase price will be required as a down-payment with the exact amount determined by the lending institution based upon your creditworthiness. The interest factor in the lease or loan will be tied to prevailing conditions, your individual credit history, personal financial condition and other underwriting criteria determined by your lender. The term of the lease or loan can range from 60 to 120 months, with 60 - 84 months being a commonly requested term. The larger your down payment, the lower your monthly payments, interest and overall cost. In certain instances, 100% financing may be available, in which case no down payment is necessary and your monthly payments will likely be higher. Your lender retains title to the Food Truck or, in the case of a loan, takes a security interest in the Food Truck.

17. These estimates include health department plan check and annual permit fees as well as building and safety plan check/insignia fees (when required) which are not included in the purchase price. Other included expenses are estimated city business license fees and Department of Motor Vehicle registration, renewal and smog check fees. These costs vary from state to state and vehicle to vehicle. Various factors determine the costs of these fees, such as location of operation, gross vehicle weight and city tax and licensing fee schedules.

18. Your Food Truck must be housed at a sanctioned food truck commissary where the truck will be cleaned, stocked, serviced and stored when not in service. The commissary must provide a facility to purchase supplies, a designated parking space, truck cleaning facilities and power and water services. Monthly lease payments for a sanctioned food truck commissary usually range from \$400 to \$650 per month. You must not select or contract with a food truck commissary without our prior written approval of the commissary.

19. You must secure food storage warehouse or shared kitchen space that we approve, at a separate site from your food truck commissary, to store food products when your Food Truck is not in service. The space must satisfy local health department guidelines and utility requirements for frozen and dry storage of food products. Monthly lease payments for food storage warehouse or shared kitchen space usually ranges from \$600 to \$1,000 per month.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us or from suppliers approved by us or according to specifications we issue:

Potato Corner Approved Suppliers:

You may only use suppliers that we have accepted and approved ("Potato Corner Approved Suppliers") because they have demonstrated to us their ability to supply products and services for Potato Corner Restaurants meeting our specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. All "Potato Corner Branded Products", "Potato Corner Proprietary Products", "Potato Corner Authorized Products" and "Non-Proprietary Products" designated by us for use and sale at or from the Potato Corner Restaurant must be purchased from Potato Corner Approved Suppliers. "Potato Corner Branded Products" means any product that bears any of the Potato Corner Marks, including products that are prepared, sold and/or manufactured in strict accordance with our recipes, methods, standards and specifications, including pre-packaged food and beverage products, packaging, clothing, souvenirs and novelty items. We will provide you with access to one or more of our operations and training manuals ("Manuals") and various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services and operations guidelines. Upon request, we will furnish you a list of Potato Corner Approved Suppliers that we may update from time to time. You must operate your Franchised Restaurant in strict compliance with the standard procedures, policies, rules and regulations contained in the Manuals.

Our affiliate, PC Trading, is a Potato Corner Approved Supplier and is currently the only supplier of our Trade Secret Food Ingredients. ~~Two of our officers, Amir Jacoby and Guy Koren, own~~ Our parent GKCG owns PC Trading and our President, Guy Koren, owns GKCG. Except for PC Trading, there are currently no suppliers in which any of our officers owns an interest. For the fiscal year ended December 31, 2023~~2~~, PC Trading's revenues from franchisees' purchases or leases of required products and services were ~~\$62,673,932~~ \$62,673,932, or approximately ~~62.5%~~ 62.5% of our affiliate's total revenue of ~~\$1,094,252,761~~ \$1,094,252,761, based on ~~our~~ PC Trading's unaudited financial statements for that period.

Approximately 70% of your start-up expenses and 30% of your ongoing expenses will be for purchases from

Potato Corner Approved Suppliers or purchases according to our specifications.

Potato Corner Authorized Products:

You must serve all only the products we authorize (“Potato Corner Authorized Products”) at your Franchised Restaurant. You must purchase, use, and maintain in stock a sufficient amount of Potato Corner Authorized Products and Potato Corner Proprietary Products to operate your Franchised Restaurant.

Potato Corner Proprietary Products

You must purchase Potato Corner Proprietary Products from our affiliates we designate because they are produced or manufactured according to our trade secrets, proprietary recipes, specifications and/or formulas. We will not be obligated to reveal our trade secrets or the recipes, specifications and/or formulas of Potato Corner Proprietary Products to you or any third party. We and our affiliates may be, but are not obligated to become, Potato Corner Approved Suppliers of certain Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products and may act as the sole Potato Corner Approved Suppliers of certain Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products. Our affiliate, PC Trading, is a Potato Corner Approved Supplier and is currently the only supplier of our Trade Secret Food Ingredients.

Non-Proprietary Products:

We may designate certain non-proprietary food products, condiments, beverages, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, menus, packaging, forms, customer comment cards, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Potato Corner Proprietary Products, that you may or must use or sell at your Franchised Restaurant (“Non-Proprietary Products”). You may use, offer or sell only those Non-Proprietary Products that we expressly authorize. You will purchase Non-Proprietary Products from Potato Corner Approved Suppliers. Each supplier we approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure, and satisfy us that it will supply products meeting our specifications (which may include particular brand names, model, contents, quality, freshness and compliance with governmental standards), reliably deliver consistent quality products or services, and meet any other requirements we determine is in the best interest of the Potato Corner System. We may limit items to a particular brand or brands set by us.

Food Delivery Services. You must adhere to our delivery policies and procedures as set forth in the Manuals, which may restrict the areas in which you may offer delivery services and catering services. Our delivery and catering policies and procedures may allow other Potato Corner Restaurants to provide delivery services in your protected area and may allow you to provide delivery services outside of your protected area.

Fixtures, Furnishings and Equipment:

You must purchase (or lease) and install, at your expense, all fixtures, furnishings, equipment (including a POS System), decor, and signs as we direct. You may not install on or about your Franchised Restaurant any furnishings, interior or exterior decor items, supplies, fixtures, equipment or utensils unless they have been approved by us in writing. You must purchase these items from Potato Corner Approved Suppliers.

Computer Equipment-

You must purchase, lease or license all computer hardware and software we designate for your Franchised Restaurant at your expense. You must maintain and update all computer hardware and software as we require.

Food Truck

You must purchase or lease a new or used Food Truck that is between 16 to 18 feet in length and furnished with designated equipment. In addition, Your Food Truck must be housed at a sanctioned food truck commissary where it will be cleaned, stocked, serviced and stored when not in service.

Approval of Suppliers-

If you wish to purchase any items from a supplier other than us, our affiliates or a Potato Corner Approved Supplier, you must obtain our prior approval. You must identify the proposed supplier, its name and address, and the item(s) you desire to purchase from that supplier. We may require you to deliver a sample of their product. Our specifications and standards for supplier approval are generally available upon written request. If product specifications for the item are not in the Manuals, we will furnish the general, but not manufacturing, specifications for Non-Proprietary Products to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items it sells, to sell any materials bearing our marks only to our franchisees, and on the supplier demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis, and that the supplier is, and will continue to be, of good standing in the business community with regard to its financial soundness and the reliability of its product and service. We also have the right to require, as a condition of approval, that our representatives be permitted to inspect the supplier's facilities and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we reasonably designate for testing. You must pay us a fee not to exceed the actual cost of the inspection testing. In addition to product testing, a facility audit may be required, and you must pay us, in advance, a deposit of up to \$1,000, before we begin any inspection. You will be responsible for any additional costs and expenses associated with the inspection of the facility. We will use our good faith efforts to notify you of our decision within 60 days after we receive your request for approval and all requested back-up information. You may not use a supplier unless we notify you of our approval in writing. We may revoke a supplier's approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you. There are currently no purchasing or distribution cooperatives for the Potato Corner System.

Rebates-

We and our affiliates may, from time to time, receive rebates from Potato Corner Approved Suppliers based on the aggregate volume of items purchased by franchisees from Approved Suppliers. You will not be entitled to receive any portion of these rebates. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers. For the fiscal year ending December 31, ~~2022~~2023, we derived revenue in the form of rebates from suppliers as a result of required purchases by franchisees. We and our affiliates received

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commissions that range from 2% to 5%, based on our franchisee's purchases of required products or services from certain Potato Corner Approved Suppliers. For the fiscal year ending December 31, 2023~~2~~, we received \$~~448,359,326,396~~ in the form of rebates from suppliers as a result of our franchisees' purchases or leases of required products or services, or ~~22.81~~9% of our total revenues of \$~~1,967,552,175,2,410~~, based on our audited financial statements. For the fiscal year ending December 31, 2023~~2~~, our affiliate, PC Trading, derived revenues of \$~~479,776,553,98,370.11~~, representing ~~approximately 38.743.8~~% of its total income of \$~~1,094,252,761,209,887.70~~, in the form of rebates from suppliers as a result of required purchases by franchisees.

Insurance-

You must obtain and maintain throughout the term of your Franchise Agreement the types and amounts of insurance required by us and you must provide us with proof of coverage and Certificates of Insurance for all policies of insurance. You must obtain worker's compensation insurance with limits in compliance with your state law and employer's liability insurance with \$1,000,000 combined single limit coverage, as well as any other insurance that may be required by statute or rule of the state in which your Franchised Restaurant is located or operated. Additionally, you must obtain (i) workers compensation insurance in compliance with local laws and regulations; (ii) employer's liability insurance with \$1,000,000 combined single limit coverage; (iii) comprehensive general liability insurance and product liability insurance with limits of \$1,000,000 combined single limit coverage including the following: broad form contractual liability and personal injury coverage (employee and contractual inclusion deleted) insuring us and you against all claims, suits, obligations, liabilities and damages, including attorneys' fees, for actual or alleged personal injuries or property damage relating to your Franchised Restaurant business, provided that the required amounts may be modified periodically by us to reflect inflation or future experience with claims; (iv) automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least \$1,000,000; (v) loss of income insurance (in an amount sufficient to cover the continuing license fee and other fees due under the Franchise Agreement for a period of at least 12 months); (vi) rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or merchants' association under the lease, if any, during any period of business interruption or inability to operate your Franchised Restaurant) or any greater amounts of insurance as required by the Lease for the Franchised Location; (vii) employment practices liability insurance; (viii) employee non-owned automobile insurance with limits of \$1,000,000; (ix) cyber-liability insurance with limits of \$50,000; and (x) additional insurance and types of coverage as required by the terms of any Lease for the Franchised Location, including an umbrella policy with limits of \$2,000,000 to \$4,000,000. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse us for our costs related to the purchase of insurance.

Credit Cards-

You must honor all credit, charge, courtesy and cash cards approved by us in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with selling Potato Corner Authorized Products, you must maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of your Franchise Agreement. You are responsible for the security of cardholder data in the possession or control of any of subcontractors you engage to process credit cards. All subcontractors must be identified to and approved by

us in writing prior to sharing cardholder data with the subcontractor. You must, if requested to do so by us, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.

Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs-

You may not create or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued by us that are accepted at all Potato Corner Restaurants. You must participate in all gift certificate and/or gift card administration programs as we may designate from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at your Franchised Restaurant except as approved by us in writing. In addition, you must purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics and online and mobile ordering software or programs that we designate. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

There are no restrictions as to whom you may sell goods or services.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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(s) in Agreements	Disclosure Document Item
a. Site selection and acquisition/lease	Article 5 of the Franchise Agreement; Sections 5.1 – 5.3 of the Multi-Unit Development Agreement	Items 8, 11 and 16
b. Pre-opening purchases/leases	Sections 5 and 7.8 of the Franchise Agreement; Sections 5.1 – 5.3 of the Multi-Unit Development Agreement; Section 1.3 of the Mobile Addendum	Item 5 and 16
c. Site development and other pre-opening requirements	Sections 5.3 and 5.4 of the Franchise Agreement; Article 2, Sections 6.1 - 6.2 and Exhibit A of the Multi-Unit Development Agreement	Items 7, 11 and 16
d. Initial and ongoing training	Sections 6.1, 6.2, 6.3 7.2, 7.3 and 7.4 of the Franchise Agreement	Items 6 and 11
e. Opening	Section 5.4 of the Franchise Agreement; Article 3 of the Mobile Addendum	Item 11

Obligation	Section(s) in Agreements	Disclosure Document Item
f. Fees	Article 4 of the Franchise Agreement; Article 4 and Sections 3.4, 9.4.7 and Exhibit B of the Multi-Unit Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Article 7 of the Franchise Agreement; Articles 6 and 16 of the Multi-Unit Development Agreement; Section 4.2 of the Mobile Addendum	Item 11
h. Trademarks and proprietary information	Article 9 of the Franchise Agreement; Articles 7 and 8 of the Multi-Unit Development Agreement	Items 11, 13, and 14
i. Restrictions on products/services offered	Article 8 of the Franchise Agreement; Section 6.2 of the Multi-Unit Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 7.19 of the Franchise Agreement	
k. Territorial development and sales quotas	Sections 2.1, 2.3, 2.5, 2.6 and 6.1 of the Multi-Unit Development Agreement	Item 12
l. Ongoing product/service purchases	Article 8 and Section 10.5 of the Franchise Agreement	Item 16
m. Maintenance, appearance and remodeling requirements	Sections 5.3, 7.21 and 7.24 of the Franchise Agreement; Sections 4.3 and 4.4 of the Mobile Addendum	Items 7 and 16
n. Insurance	Article 13 of the Franchise Agreement	Item 16
o. Marketing	Article 10 of the Franchise Agreement	Items 6, 11 and 13
p. Indemnification	Section 18.4 of the Franchise Agreement; Section 14.4 of the Multi-Unit Development Agreement	Items 6, 12 and 17
q. Owner's participation/ management/ staffing	Section 7.11 of the Franchise Agreement	Item 15
r. Records and reports	Article 12 of the Franchise Agreement	Item 6
s. Inspections and audits	Section 7.6 and 12.3 of the Franchise Agreement	Item 6
t. Transfer	Article 14 of the Franchise Agreement; Articles 9 and 10 of the Multi-Unit Development Agreement	Items 6 and 17
u. Renewal	Sections 3.2 – 3.5 of the Franchise Agreement; Sections 3.2 – 3.4 of the Multi-Unit Development Agreement	Items 6 and 17

Obligation	Section(s) in Agreements	Disclosure Document Item
v. Post-termination obligations	Article 17 of the Franchise Agreement; Article 12 of the Multi-Unit Development Agreement; Section 4.1 and Article 6 of the Mobile Addendum	Items 6 and 17
w. Non-competition covenants	Section 15.2 – 15.6 and 15.8 of the Franchise Agreement; Article 13 of the Multi-Unit Development Agreement	Item 17
x. Dispute resolution	Article 19 of the Franchise Agreement; Article 15 of the Multi-Unit Development Agreement	Item 17
y. Taxes & Permits	Sections 4.7 and 5.3 of the Franchise Agreement; Section 4.3 of the Mobile Addendum	Items 1 and 7
z. Computer hardware and software	Section 7.8 of the Franchise Agreement	Item 16
aa. Security Interest	Sections 4.9 and 17.9 of the Franchise Agreement	Item 10
bb. Guarantee of franchise obligations	Section 3.3 and Exhibit C of the Franchise Agreement; Exhibit D of the Multi-Unit Development Agreement	Item 15

ITEM 10 FINANCING

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

ITEM 11 FRANCHISOR'S ASSISTANCE, MARKETING, COMPUTER SYSTEMS, AND TRAINING

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

Before Opening

We have the following obligations to you before you open your Franchised Restaurant for business:

1. Site Approval. You are solely responsible for selection of the proposed site of your Franchised Restaurant, which will be subject to our review and acceptance. After you sign your Franchise Agreement, you must identify one or more sites that meet our then-current standards and specifications and submit the site to us for approval. We may assist you in identifying an acceptable site for your Franchised Restaurant, but we are not obligated to do so. We will notify you in writing whether the site is accepted or rejected within 30 days after we receive all the information we require to evaluate the site. (Franchise Agreement, Section 5.1).
2. Site Design. We will provide you with a copy of our specifications for the décor and layout of a Potato Corner Restaurant and the required fixtures, equipment, furnishings, décor, trade dress and signs. You are responsible for the costs of preparing architectural, engineering and construction drawings and site and space layout and exterior signage plans. You must use a licensed architect and designer whom we approve to design

and construct your Franchised Restaurant. You are responsible for the cost of construction and remodeling of your Franchised Restaurant. (Franchise Agreement, Section 5.3).

3. Manuals. After you sign your Franchise Agreement, we will ~~loan provide you one copy of with access to~~ our Manuals to use during the term of your Franchise Agreement which may include audio, video, compact disks, computer software, other electronic media and/or written materials. At our option, we may post some or all of the Manuals on a restricted website, intranet, or extranet to which you will have access. The Manuals contain our standard operational procedures, policies, rules and regulations with which you must comply. We may, from time to time, update or change the Manuals in our sole discretion. (Franchise Agreement, Section 6.4). The Manuals consist of 110 pages. You will be given the opportunity to review the Manuals before you sign your Franchise Agreement. You must operate your Franchised Restaurant in compliance with the terms of your Franchise Agreement and the Manuals. You alone will exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant, including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements, restrictions, prohibitions, specifications and procedures of the Potato Corner System with which you must comply under the Franchise Agreement and the Manuals do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Restaurant, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Franchised Restaurant consistent with our policies. (Franchise Agreement, Section 7.1).

4. Pre-Opening Initial Training Program. We will provide our Initial Training Program at an Affiliate-Owned Restaurant in Southern California we select and/or our corporate office, for your Principal Owner and your General Manager or other supervisory or managerial personnel. (Franchise Agreement, Section 6.1). We may provide any or all portions of the Initial Training Program, Pre-Opening Additional Initial Training Program and/or pre-opening on-site opening assistance remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.7).

5. Potato Corner Approved Suppliers. We will designate our Potato Corner Approved Suppliers for you after we sign your Franchise Agreement. All Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products that we designate for use and sale at your Franchised Restaurant must be purchased from Potato Corner Approved Suppliers. (Franchise Agreement, Section 8.1).

6. Designation of Mobile Territory for Food Truck. We will designate your Mobile Territory in the Mobile Addendum for your Mobile Restaurant. (Mobile Addendum, Section 1.2).

7. Specifications for Food Truck. We will provide you with the specifications for the equipment, graphics and detailing, trade dress and signs for your Food Truck. (Mobile Addendum, Section 1.3).

Post-Opening Obligations

We have the following obligations to you during the operation of your Franchised Restaurant:

1. On-Site Opening Assistance. We will provide on-site training and assistance for up to 3 days after your first Franchised Restaurant opens for business to the public. (Franchise Agreement, Section 6.3). We do not provide on-site opening assistance you or your affiliates if you already own or operate a Potato Corner Restaurant when you sign your Franchise Agreement or if you sign a renewal Franchise Agreement.

2. Consultation. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the Franchised Restaurant for which we have not established Potato Corner Approved Suppliers. (Franchise Agreement, Section 6.5).
3. Post-Opening Additional Training Programs. We may provide additional and remedial training programs for new or replacement supervisory or managerial personnel ("Post-Opening Additional Training Programs"). (Franchise Agreement, Section 6.2).
4. Post-Opening Initial Training Programs. We may provide Post-Opening Initial Training Programs for your supervisory and managerial personnel. (Franchise Agreement, Section 7.3).
5. Inspections. We may examine your Franchised Restaurant to confer with your supervisory or managerial personnel, inspect and check operations, food, beverages, furnishings, interior and exterior decor, supplies, fixtures and equipment, and determine whether your Franchised Restaurant is being operated in accordance with your Franchise Agreement, Potato Corner System and the Manuals. (Franchise Agreement, Sections 6.6). We may provide all or any portions of the Post-Opening Initial Training Programs, Post-Opening Additional Training Programs, post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 7.7).
6. Products. We will designate Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products that you may or must stock and promote. (Franchise Agreement, Sections 8.1).
7. Pricing Guidelines. We may provide pricing guidelines for Potato Corner Authorized Products, subject to Applicable Law. (Franchise Agreement, Section 7.10).
8. Manuals. We will continue to provide you with access to our Manuals during the term of your Franchise Agreement which may include audio, video, compact disks, computer software, other electronic media and/or written materials. We may, from time to time, update or change the Manuals in our sole discretion. (Franchise Agreement, Section 6.4).
9. Potato Corner Marks and Potato Corner System. We will permit you to use the Potato Corner Marks and the Potato Corner System during the term of your Franchise Agreement. (Franchise Agreement, Section 2.1).
10. Confidential Information. We will provide you with access to our confidential information during the term of your Franchise Agreement. (Franchise Agreement, Section 11.1).
11. Toll Free Telephone Number. We may now or in the future establish a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If we establish a toll free number, you must comply with our procedures for implementing the nationwide service as we specify in the Manuals or otherwise in writing. (Franchise Agreement, Section 6.10).

Length of Time to Open Your Franchised Restaurant

You must identify a site for your Franchised Restaurant within 90 days after you sign your Franchise Agreement and you must open your Franchised Restaurant for business within 270 days after signing your Franchise Agreement, unless we agree otherwise. (Franchise Agreement, Sections 5.1 and 5.4). A Potato Corner Restaurant usually opens for business within 270 days after you sign your Franchise Agreement. Factors that may affect the length of time between signing of a Franchise Agreement and opening for business include the time necessary to: identify a location that we will accept; obtain any financing you need; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs; and complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

You may open a Franchised Restaurant under the Multi-Unit Development Agreement only by signing a Franchise Agreement after you obtain a Franchised Location. As noted above, we estimate the length of time between signing a Franchise Agreement and the opening of your Franchised Restaurant is 270 days.

A Mobile Restaurant usually opens for business 4 to 5 months after the Franchise Agreement is signed. You must open your Mobile Restaurant for business within 6 months after you sign your Franchise Agreement and Mobile Addendum, unless we agree otherwise in writing. (Mobile Addendum, Section 3). Factors that may affect the length of time between the signing of a Franchise Agreement and the opening of a Mobile Restaurant include the time necessary to obtain the Food Truck from its manufacturer; obtain the necessary financing; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; and the hiring and training of personnel. Delays in opening may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

Site Selection/Lease/Purchase of Real Estate

If you do not already have a location when you sign your Franchise Agreement, you must purchase or lease a site for your Franchised Restaurant promptly after you sign your Franchise Agreement. We may assist you in identifying an acceptable site for your Franchised Restaurant, but we are not obligated to do so.. (Franchise Agreement, Section 5.1). You must submit your proposed lease to us to allow us at least 15 days to confirm that the required provisions in Section 5.2 of the Franchise Agreement have been included in the lease and you and your landlord must have executed an Option to Obtain Lease Assignment (Exhibit D) in the form we specify (Franchise Agreement, Section 5.2) and must provide us with a fully signed copy within 90 days of signing your Franchise Agreement. Our acceptance of your lease is based solely on our own interests. If we accept the proposed site, we will notify you of our preliminary acceptance of the site within about 30 days (or 15 days after you provide any supplemental information we request). Your lease must not (i) obligate us in any manner; or (ii) contain any provision inconsistent with your Franchise Agreement. In addition, you and your Landlord must sign our Option to Obtain Lease Assignment (Exhibit D) or your lease must provide for the following: (i) the Lease may not be amended, assigned or sublet without our prior written consent; (ii) we have the right (but not the obligation) to succeed to your rights under the Lease if you fail to exercise any option to renew, and/or extend the term of the Lease; (iii) if you default under the Lease, the Landlord must notify us in writing at least 15 days prior to the termination or non-renewal of the Lease; (iv) we have an option to assume the Lease upon the termination or expiration of the Lease for any reason by giving written notice of

the election to you and the Landlord; (v) you have the unrestricted right, without the Landlord's consent, to assign or sublet the Franchised Location to us, or any franchisee or licensee approved by us; and (vi) we have the right to enter the Franchised Location to remove all of the Potato Corner Marks from the Franchised Location and modify the decor of the Franchised Location so that it no longer resembles, in whole or in part, a Potato Corner Restaurant if you fail to do so. (Franchise Agreement, Section 5.2). If you are purchasing the Franchised Location, you must submit the contract for purchase and sale to us for approval at least 15 days before you sign it, and provide a fully signed copy of the contract to us within 15 days after closing.

You will select the sites for your Potato Corner Restaurants before you sign your Franchise Agreements under a Multi-Unit Development Agreement. (Multi-Unit Development Agreement, Section 5.2). We may assist you in identifying acceptable Venues in the Development Area for a Potato Corner Restaurant, but we are not obligated to do so. (Multi-Unit Development Agreement, Section 5.1). We must approve the site and our then-current standards for Potato Corner Restaurant sites will apply. After a site has been identified, you must submit it to us for our review and request us to consider and approve the site. Following receipt of our acceptance of a site, you must negotiate a lease or purchase agreement for the site and submit a copy to us. We will then give you execution copies of our then-current Franchise Agreement for the proposed location. You must return the signed Franchise Agreement to us within 30 days after you receive the execution copies of the Franchise Agreement. You may not enter into any Lease for a site unless and until we have approved the site and the Lease in writing. (Multi-Unit Development Agreement, Section 5.2).

You may not open your Franchised Restaurant at the Franchised Location for business until you have received our written authorization, which may be subject to our satisfactory inspection of your Franchised Restaurant at the Franchised Location. (Franchise Agreement, Section 5.4).

You may not relocate your Franchised Restaurant to any other location without our prior written consent. If we consent to a relocation of your Franchised Restaurant, you will have 12 months from the date of our approval of the new Franchised Location to secure the new Franchised Location and to open and operate a Franchised Restaurant at the new Franchised Location. If you fail to secure a new Franchised Location within 12 months of the date we approve the new Franchised Location, we may extend the time for you to do so; however, we will then have the right to estimate and bill you for Royalty Fees for the time period after the 12 month period based upon the Royalty Fees we received for your original Franchised Restaurant during the identical periods of the last preceding calendar year plus an additional 10% of such amount or, if your Franchised Restaurant was not in operation during the identical period of the last preceding year, based upon the average Royalty Fees you paid during the number of months your original Franchised Restaurant was in operation plus an additional 10% of that amount. (Franchise Agreement, Section 5.5).

POS System; Computer Hardware and Software

You must purchase (or lease), use and maintain a POS System, a network router, all related software, a back office computer and printer, including all related hardware and software, cameras and a DVR, each as specified in the Manuals or otherwise by us in writing. Your POS System must be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data and for ordering and maintaining the POS System. The POS System must be electronically linked to us, and you must allow us to poll the POS System on a daily or other basis at the times and in the manner established by us, with or without notice, and to retrieve transaction information including sales, sales mix, usage, and other operations data that we deem appropriate. We may require that you update, upgrade or replace the POS System, including hardware and/or software, upon 90 days' written notice, however, you will not be required to replace the POS

System any more frequently than once every 3 years. The POS System must include the required technology to permit you to accept online orders of Potato Corner Authorized Products and services at your Franchised Restaurant and to accept and process Potato Corner gift cards sold in other Potato Corner Restaurants. In addition, you must maintain and update all computer hardware and software as required by us. It will cost you approximately \$4,200 to \$8,800 to buy the POS System and related software for your Franchised Restaurant. It will cost you approximately \$500 per month to lease the POS System and related software for your Franchised Restaurant. Annual maintenance costs to the POS System range from \$600 to \$1,800 per year. You must upgrade the POS System if we instruct you to do so. (Franchise Agreement, Section 7.8).

Internet

We have registered the Internet domain name www.potatocornerusa.com and have established a site using this domain name. You acknowledge that the domain name is our sole property. You may not use in any manner, any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium or activity) that contains the Potato Corner Marks, or any other words, symbols or terms confusingly similar to the Potato Corner Marks without our express prior written consent. We may include on our Internet Website interior pages that identify all Potato Corner Restaurants, including your Franchised Restaurant. (Franchise Agreement Sections 10.7 and 10.8, Multi-Unit Development Agreement, Section 7.3).

We have the sole right to market on the Internet and use the Potato Corner Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the Potato Corner Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Potato Corner Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Potato Corner Marks or any marketing, is subject to the terms and conditions of your Franchise Agreement and any other rules, requirements or policies that we may identify. (Franchise Agreement Sections 2.3.4 and 10.7).

Social Media

In order to maintain a consistent image and message and to protect the Potato Corner Marks and the Potato Corner System, you must not participate or market through the use of social technology, social media such as Facebook, Instagram, Pinterest, Twitter, Snapchat, Tumblr, social networking platforms or other forms of electronic media not yet developed ("Social Media Platforms") using the Potato Corner Marks, or in connection with the your Franchised Restaurant, without our prior written consent. If you separately register any Social Media Platform account (a "Social Media Account") containing the Potato Corner Marks or related to your Franchised Restaurant, whether with our prior consent or not (i) you must promptly notify us and provide us with all necessary information related to the Social Media Account we require or demand, without compensation to you; and (ii) the Social Media account will become our property, without compensation to you. We will be the sole owner of all related intellectual property rights in all Social Media Accounts and all content posted on Social Media Accounts. (Franchise Agreement, Section 10.9).

Intranet

We may, at our option, establish an Intranet through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate the Manuals, updates and other confidential information to you. If we establish an Intranet, you must establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality of the Intranet. You will have the privilege, but not the right, to use the Intranet, subject to your compliance with our policies. (Franchise Agreement Section 7.22).

Marketing Fund Fees

New franchisees are not required to contribute to the Marketing Fund. We have the right to collect Marketing Fund Fees in an amount not to exceed 1% of Gross Sales at any time during the term of your Franchise Agreement on 90 days' prior written notice to you. Marketing Fund Fees, if required, will be in addition to your Local Store Marketing Expenditures. Company-owned Potato Corner Restaurants may, but are not required to, contribute to the Marketing Fund. If they do, they may not be required to contribute in the same percentage as you and may stop contributing at any time without notice to you. (Franchise Agreement, Section 10.1). In the fiscal year ended December 31, 2023², the Fund spent approximately 3826.87% of its total expenditures on production, 34.43% on media placement, 614.36% on the mystery shop program and 2224.34% on administrative matters. The Marketing Fund will be administered by us and will be used to meet the costs of conducting marketing and promotional activities. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. (Franchise Agreement, Section 10.1). The Marketing Fund is intended to maximize general public recognition and acceptance of the Potato Corner Marks for the benefit of the Potato Corner System. The administrator will not be obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the marketing or promotion conducted under the Marketing Fund. (Franchise Agreement, Section 10.1.1). Your Marketing Fund Fees will be held in an account separate from our other funds. Your Marketing Fund Fees will not be used to defray any expenses of ours or the administrator's, except for the reasonable costs and overhead, if any, as each may incur, such as the costs of personnel for creating and implementing promotional and marketing programs. Any unused monies in the Marketing Fund at the end of any year will be used in the next fiscal year. Our printed materials and Website may also contain references stating that "Franchises Are Available" and/or that "Each Potato Corner Franchise Is Independently Owned and Operated" to promote the sale of franchises for Potato Corner Restaurants. With this exception, no portion of the Marketing Fund will be used to solicit or to sell Potato Corner franchises to prospective franchisees. (Franchise Agreement, Section 10.1.3). No more than once a year, we will prepare an annual accounting of the Marketing Fund and upon request distribute the accounting to Potato Corner franchisees. The annual accounting will state the total amount of money collected and spent by the Marketing Fund during the previous year and will list, by general category, the manner in which we spent the money. The report will not be separately audited. (Franchise Agreement, Section 10.1.1).

Local Store Marketing Expenditures

In addition to any Marketing Fund Fees you must pay to us, you must spend an amount equal to 1% of the Gross Sales of your Franchised Restaurant on local promotion and marketing (the “Local Store Marketing Expenditure”). We have the right to adjust the amount of the Local Store Marketing Expenditures at any time during the term of your Franchise Agreement on 90 days’ prior written notice to you, not to exceed 2% of Gross Sales. All marketing must meet our specifications in our Manuals. You must submit to us before use, samples of all local marketing materials, and descriptions of all local marketing programs, not prepared or previously approved by us, for our approval. You may not use any marketing material or program or use the Potato Corner logo or Potato Corner Marks in any public manner without our prior written approval. On the 10th day of each calendar month, you must provide us with copies of all invoices, statements, canceled checks or other forms of payment that you issued during the preceding calendar month that evidence your expenditure and payment of 1% of your Gross Sales on local marketing. If you fail to do so, or if you fail to spend at least 1% of your Gross Sales on local marketing during any calendar month, you must immediately pay the Marketing Fund the difference between the amount that you actually spent on local marketing and 1% of your Gross Sales. (Franchise Agreement, Section 10.2 and Exhibit A).

Cooperative Marketing Programs

We may, in the future, establish programs for co-operative marketing (“Cooperative Marketing Programs”) to coordinate advertising, marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional marketing media. If we create a Cooperative Marketing Program for a defined coverage area (a “Marketing Coverage Area”) in which your Franchised Restaurant is located, you (and, if we or an affiliate own a Potato Corner Restaurant in the Marketing Coverage Area, then we and/or our affiliate), must become a subscriber and member of the Cooperative Marketing Program and must participate in the Cooperative Marketing Program in the manner we prescribe. The size and content of a Marketing Coverage Area will be binding upon you and all other similarly situated Potato Corner franchisees. Each participating Potato Corner franchisee will be entitled to one vote for each Potato Corner Restaurant located within the Marketing Coverage Area as we may determine. (Franchise Agreement, Section 10.3).

You and all other members of the Marketing Coverage Area whose Franchise Agreements require their participation in the Cooperative Marketing Program, will contribute to the Cooperative Marketing Program the amounts that are determined by us and 50% or more of the participating Potato Corner Restaurants in the Cooperative Marketing Program, not to exceed 1% of the Gross Sales of each participating Potato Corner Restaurant located in the Marketing Coverage Area. Your contributions to a Cooperative Marketing Program will be credited against your required Local Marketing Expenditure. (Franchise Agreement, Section 10.3.1).

We will administer the Cooperative Marketing Program and determine the policies of the Cooperative Marketing Program and the use of the available funds for media time, production of media materials, radio, television, newspapers or local marketing materials such as flyers or posters, or for any other type of advertising or marketing use. We reserve the right to establish general standards concerning the operation of the Cooperative Marketing Program, advertising agencies retained by the Cooperative Marketing Program, and marketing conducted by the Cooperative Marketing Program. Any disputes (other than pricing) arising among or between you, other Potato Corner franchisees, and/or the Cooperative Marketing Program will be resolved by us and our decision will be final and binding on all parties. (Franchise Agreement, Section 10.3.2).

Grand Opening Plan

At least 60 days before the opening of your Franchised Restaurant, you must submit a Grand Opening Plan to us, which outlines your proposal for grand opening marketing and promotion of your Franchised Restaurant. You must obtain our written consent to the Grand Opening Plan before you implement it. You must modify the Grand Opening Plan as we request, and, thereafter, you may not make any substantial changes to the Grand Opening Plan without our advance written consent. You must spend \$1,000 ~~to~~ \$5,000 on the Grand Opening Plan within 30 days before and 15 days after of the opening date of your Franchised Restaurant. You must provide us within 30 days after your opening date with copies of all invoices, statements, canceled checks or other forms of payment that you have issued which evidence your expenditure and payment for the Grand Opening Plan. (Franchise Agreement, Section 10.4 and Exhibit A).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Franchised Restaurant is located. (Franchise Agreement, Section 10.5).

Advisory Council.

We may establish an Advisory Council for Potato Corner franchisees to work with us and to consult with us on potential improvements to the Potato Corner System, the products offered by Potato Corner Restaurants, advertising conducted by the Marketing Fund and any other matters that we deem appropriate. If an Advisory Council is formed, it will act solely in an advisory capacity, will not have decision making authority, and will be comprised of our representatives and Potato Corner franchisees who may be chosen by us or elected by other Potato Corner franchisees. All Potato Corner franchisees who serve on an Advisory Council must pay their own transportation costs, food, lodging and similar expenses to attend Advisory Council meetings. We will have the right to form, change, merge or dissolve any Advisory Council at any time, in our discretion. (Franchise Agreement, Section 10.6).

Pre-Opening Initial Training Program

We will provide a Pre-Opening Initial Training Program in the Potato Corner System and methods of operation at an Affiliate-Owned Restaurant in Southern California we select and/or our corporate office in Culver City, California, for up to 4 supervisorial or managerial personnel selected by you who must include the Principal Owner and General Manager. The Initial Training Program will consist of approximately 2 weeks of training prior to the opening date of your Franchised Restaurant and must be completed before your Franchised Restaurant opens for business. You must attend and complete the Initial Training Program to our satisfaction. If your Franchised Restaurant is the first Franchised Restaurant you will operate, we will provide training, instructors, a training manual, and other materials at no charge to you. You must pay all travel, living, compensation, and other expenses that you and we incur to attend the Initial Training Program. In addition, if your Franchised Restaurant is more than 100 miles from our corporate office in Culver City, California, you must pay us an On-Site Opening Assistance Fee of up to \$5,000. We will not provide the Initial Training Program if you or your affiliates own another Potato Corner Restaurant or your Franchise Agreement is a renewal Franchise Agreement. (Franchise Agreement, Sections 6.1 and Section 7.2). In addition, before your Franchised Restaurant opens for business, your Principal Owner and General Manager and other supervisorial or managerial personnel must successfully complete the ServSafe® Food Safety Certification Program, or show evidence of prior ServSafe® certification. (Franchise Agreement, Section 7.11).

PRE-OPENING INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Corporate Philosophy	.5	0	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Store Set Up and Administration	1	3	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Operational And Financial Reporting	1	3	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Loss Prevention	1	1.5	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Safety	1	3	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Hiring And Training Personnel	.5	1.5	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Inventory Management	1	6	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Cleanliness	0	6	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Franchisor Operational Standards	0	18	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Marketing	1	0	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Food Preparation	0	24	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Customer Service Procedures	0	6	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
Branding And Merchandising	1	0	Affiliate-Owned Restaurant in Southern California and/or Franchisor's Corporate Office or Virtual Communication Platform
TOTAL	8	72	

In our discretion, we may vary the length and content of the Initial Training Program based on the experience

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and skill level for each individual attending the Initial Training program. The primary instructional material for the Initial Training Program will be the Manuals. There will be no additional charge for training material. The Initial Training Program will be supervised by Guy Koren, whose has over ~~13-14~~ years of experience in the subjects covered by the Initial Training Program. Training will be conducted as often as necessary to ensure that our franchisees complete training before their Potato Corner Restaurant opens for business.

Your Principal Owner and General Manager or other supervisory or managerial personnel, must faithfully attend all phases of the Initial Training Program and complete it to our satisfaction, as certified by us in writing. Your or their failure to successfully complete any aspect of the Initial Training Program, as we determine in our sole discretion, constitutes grounds for termination of your Franchise Agreement. (Franchise Agreement, Section 7.2). We may allow you to retake the Initial Training Program in our sole discretion. You must pay expenses of travel, lodging, meals and wages incurred by you and your employees while attending any of our training programs.

Post-Opening Initial Training Programs

If, after the opening date of your Franchised Restaurant, you request us to provide additional Initial Training Programs for new or replacement supervisory or managerial personnel and we agree to do so, you must pay us our then-current Post-Opening Initial Training Fee for each additional trainee that receives the Post-Opening Initial Training Programs, currently \$2,500 per additional trainee to defray our direct costs to provide the additional Post-Opening Initial Training Programs. You must also pay all transportation costs, food, lodging and similar expenses incurred in connection with your employees' attendance at the Post-Opening Initial Training Programs. (Franchise Agreement, Section 7.3).

On-Site Opening Assistance

For your first Franchised Restaurant, we will provide on-site training and assistance to your supervisory or managerial personnel for up to 3 days after your Franchised Restaurant opens for business. We will not provide any on-site assistance for your second and subsequent Franchised Restaurants. We will select the employees providing the on-site training and the length of time that on-site training is provided. (Franchise Agreement, Section 6.3).

Post-Opening Additional Training Programs

In our discretion, after the opening of your Franchised Restaurant, we may provide you or your Principal Owner and each General Manager or other supervisory or managerial personnel with Post-Opening Additional Training Programs. You must pay us our then-current Post-Opening Additional Training Program Daily Fee for each of our employees that provides the Post-Opening Additional Training Programs, currently \$250 per day, to defray our direct costs of providing the Post-Opening Additional Training Programs. In addition, you must pay all transportation costs, food, lodging and similar expenses incurred in connection with your attendance at the Post-Opening Additional Training Programs. (Franchise Agreement, Section 6.2 and Section 7.4).

Virtual Training and Assistance

We may provide all or any portions of the Initial Training Program, Pre-Opening Additional Initial Training Program, Post-Opening Initial Training Programs, Post-Opening Additional Training Programs, post-opening

on-site opening assistance and/or post-opening consultations remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.7 and Section 7.7).

Annual Franchise Conference

We may hold an Annual Franchise Conference for all Potato Corner franchisees each year. Your Principal Owner and General Managers must attend the Annual Franchise Conference. You must pay us a \$500 Franchise Conference Fee to reimburse us for a portion of the direct costs to provide the Annual Franchise Conference upon demand at 30 days before the date of the Annual Franchise Conference, whether or not you attend the Annual Franchise Conference. (Franchise Agreement, Section 7.27).

ITEM 12 TERRITORY

Franchise Agreement

You will be permitted to operate your Franchised Restaurant at a specific location that we accept, as described in your Franchise Agreement. 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. Our acceptance of your Franchised Location will be based upon a variety of factors which may include the viability of the then-current location and demographics including, number of households, household income, vehicular traffic, and number of Potato Corner Restaurants near the proposed new location. You may face competition from other Potato Corner Restaurants that we or our affiliates franchise or own.

You will be granted a protected territory (a "Protected Area") within a 1 to 5 mile radius from your Franchised Restaurant as described in the Franchise Agreement. Your Protected Area will be determined by us and designated before you sign your Franchise Agreement. Factors that we consider in determining the size of your Protected Area include the demographics, population size, age and income levels, neighboring and adjacent retail tenants, road visibility, traffic patterns and proximity of other Potato Corner Restaurants or competitors serving the same market area. Provided you are not in default under your Franchise Agreement, we will not own, operate, sell or issue a franchise to another franchisee in your Protected Area. There are no other radius restrictions or minimum population requirements that limit where we can franchise or operate another Potato Corner Restaurant.

If you own and operate a Mobile Restaurant under a Mobile Addendum, we grant you the right to operate in a specified Mobile Territory. The Mobile Territory may be one or more cities, counties, states, or some other defined area. The Mobile Territory will be specified in your Mobile Addendum. During the term of the Franchise Agreement and Mobile Addendum, we will not operate or grant a license or franchise to any other person to operate a Mobile Restaurant in your Mobile Territory. We will consider the demographics, population, traffic patterns, potential trade area and other relevant information when we establish your Mobile Territory. You may not operate your Mobile Restaurant within another Potato Corner Restaurant's Protected Area or Mobile Territory. You may not operate your Mobile Restaurant within 2 miles of any Potato Corner Restaurant that is owned by another Potato Corner franchisee (a "Protected Zone"). We may reduce or enlarge a Protected Zone at any time. If you, at any time, operate your Mobile Restaurant within another Potato Corner franchisee's Protected Area, Mobile Territory or a Protected Zone, you will be considered to be in default under your Franchise Agreement.

We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, Potato Corner Restaurants outside of your Protected Area, regardless of its proximity to your Franchised Restaurant; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, other than a competitive business, under marks and systems different from the Potato Corner Marks and the Potato Corner System at any location regardless of their proximity to your Franchised Restaurant; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Potato Corner Branded Products at any location within or outside of the Protected Area regardless of its proximity to your Franchised Restaurant, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; (iv) market on the Internet and use the Potato Corner Marks on the Internet, including all use of Websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media; (v) deliver and/or to license to other Potato Corner Restaurants or third parties to deliver at any location within or outside of your Protected Area without compensation to you, and to establish a delivery policy in the future which may restrict the delivery jurisdiction of any Potato Corner franchisee; (vi) develop, own or operate and to grant franchises or licenses ~~others~~ to third parties to develop, own or operate Potato Corner Restaurants at any Non-Traditional Venue within and outside of your Protected Area regardless of their proximity to your Franchised Restaurant; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Potato Corner Restaurants and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Potato Corner Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and ~~(ixviii)~~ engage in all other activities that the Franchise Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above.

We may, but are not required to, allow you to offer, sell or provide delivery services in your Protected Area, including in contiguous areas that we may from time to time expressly authorize in writing, only if, and for so long, as we may consent in writing, which may be granted or denied in our sole discretion and be subject to such terms and conditions that we may establish, which may include restrictions regarding the types of products and services you may offer and the geographic area in which you may provide delivery services. You must follow our off-site policies and procedures in our Manuals, which may allow you or third parties to provide catering and delivery services in the protected areas of other Potato Corner Restaurants without compensating the operator of those Restaurants. These policies may require you to provide catering and delivery services and/or utilize third-party delivery services. You may be required to use the third-party delivery service(s) with which we have a national contract, and you may not contract with any other delivery platform without our written approval. We reserve the right to establish a non-exclusive delivery system such as call-ahead, internet-order, mobile application or similar program in which case you agree to participate and pay all fees and charges we, our affiliate or designated supplier incurs for your participation. These policies may allow other Potato Corner Restaurants or third parties to provide catering and delivery services in your Protected Area without compensating you. We may impose restrictions in the future that prevent you from providing catering and delivery services outside of your Protected Area.

You may not advertise or solicit business outside of your Protected Area. Under your Franchise Agreement, continuation of your location rights does not depend upon the volume of sales generated or on your penetration of the market potential. You do not have the right to acquire additional franchises, options, rights

of first refusal or similar rights to acquire additional franchises within the Protected Area or any contiguous territories, although you may apply for the right to operate additional Franchised Restaurants under separate Franchise Agreements.

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement, we grant you either an exclusive or non-exclusive right, as you and we agree, to develop and open 2 to 10 Franchised Restaurants at Venues in a specified Development Area, subject to our approval. The Development Area may be one or more cities, counties, states, or some other defined area. The Development Area and the exclusivity or non-exclusivity of the Venues will be specified on Exhibit A to the Multi-Unit Development Agreement. If you are granted an exclusive right to develop and open Potato Corner Restaurants, we will not operate or grant a license or franchise to any other person to operate a Potato Corner Restaurant at an Exclusive Venue in your Development Area during the term of the Multi-Unit Development Agreement, unless you fail to develop and open any Franchised Restaurant at an Exclusive Venue in compliance with your development schedule. In that event, your exclusive rights to any Exclusive Venue will automatically become non-exclusive. If your rights become non-exclusive due to your failure to comply with your development schedule, or if we initially grant you a non-exclusive right to develop and open Potato Corner Restaurants, we will have the right to operate or grant a license or franchise to any other person to operate a Potato Corner Restaurant in your Development Area, without restriction, subject only to the territorial rights granted to you in the individual Franchise Agreements for Potato Corner Restaurants that you opened in compliance with your development schedule.

We will determine or approve the location of each Potato Corner Restaurant under the Franchise Agreement at the time each Franchise Agreement is signed, and our then-current standards for approving sites and determining Protected Areas will apply. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, Potato Corner Restaurants outside of your Development Area, regardless of its proximity to your Franchised Restaurant; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, other than a competitive business, under marks and systems different from the Potato Corner Marks and the Potato Corner System at any location regardless of their proximity to your Franchised Restaurant; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Potato Corner Branded Products at any location within or outside of the Development Area regardless of its proximity to your Franchised Restaurant, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; (iv) market on the Internet and use the Potato Corner Marks on the Internet, including all use of Websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media; (v) deliver and/or to license to other Potato Corner Restaurants or third parties to deliver at any location within or outside of your Development Area without compensation to you, and to establish a delivery policy in the future which may restrict the delivery jurisdiction of any multi-unit developer; (vi) develop, own or operate and ~~to grant~~ franchises or licenses ~~others to third parties~~ to develop, own or operate Potato Corner Restaurants at any Non-Traditional Venue within and outside of your Development Area regardless of their proximity to your Franchised Restaurant; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Potato Corner Restaurants and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or

operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Potato Corner Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (ixviii) engage in all other activities that the Franchise Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above.

Upon the termination or expiration of the Multi-Unit Development Agreement: (i) except as provided below, you will have no further right to develop additional Franchised Restaurants in the Development Area and no further rights or obligations under the Multi-Unit Development Agreement; (ii) you will have the right to continue to own and operate all Franchised Restaurants you opened prior to the expiration date under Franchise Agreements with Franchisor that remain in full force and effect on the expiration date; and (iii) we may, but are not required to, develop, own and operate, and grant franchises to third parties to develop, own and operate Potato Corner Restaurants at any location within or outside of the Development Area, without restriction, subject only to the territorial rights that are granted to you under your Franchise Agreements for your Franchised Restaurants in the Development Area.

If you fail to meet any of your obligations under the Multi-Unit Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement signed by you under the Multi-Unit Development Agreement, or a material breach of any other agreement between you and us, we may terminate your exclusive or non-exclusive rights, as the case may be, to develop and open new Franchised Restaurants in the Development Area. The termination of your exclusive or non-exclusive rights to develop Franchised Restaurants in your Development Area, however, will not terminate any rights granted under your Franchise Agreements then in effect between you and us, absent a breach of your Franchise Agreement itself. After the termination or expiration of the term of your Multi-Unit Development Agreement, we may own, operate, franchise or license others to operate additional Potato Corner Restaurants anywhere, without restriction, including in your Development Area, subject only to the territorial rights reserved to you in the individual Franchise Agreements.

If you satisfy the Development Obligation and desire to develop and open additional Franchised Restaurants in the Development Area, you will have the right (the "Renewal Rights") to extend the term of your Development Agreement for an additional 10 years. If you desire to extend the term of your Development Agreement for an additional 10 years, you must, no later than one hundred eighty (180) days prior to the Expiration Date, notify us in writing (the "Renewal Notice") that you desire to do so and provide us with a proposal for the development and opening of additional Franchised Restaurants in the Development Area (the "Renewal Development Obligation"), setting forth the number of additional Franchised Restaurants you propose to open and the proposed opening dates for each Franchised Restaurant during the extended term. (Multi-Unit Development Agreement, Sections 3.2 and 3.3). We may, but have no obligation to, accept your proposed Initial Development Obligation or grant you the Renewal Development Rights in our sole discretion.

If we accept the proposed Renewal Development Obligation, you and we will sign our then-current form of Multi-Unit Development Agreement (the "Renewal Multi-Unit Development Agreement") for the Renewal Development Obligation if, and only if (i) you have fully performed your obligations under your Multi-Unit Development Agreement and all other agreements between us and are in good standing on the date of the Renewal Development Notice and on the date we sign the Renewal Multi-Unit Development Agreement; (ii) you have demonstrated your then-current financial ability to timely implement and complete the Renewal Development Obligation; (iii) you continue to operate the aggregate number of Franchised Restaurants in the

Development Area as required by your initial development obligation; (iv) you sign the Renewal Multi-Unit Development Agreement and deliver it to us with the initial development fees payable to us for the Renewal Development Rights; and (v) you sign and deliver a general release (subject to applicable state law) to us in a form acceptable to us. (Multi-Unit Development Agreement, Sections 3.3 and 3.4). You must sign our then-current Franchise Agreement and pay us our then-current initial franchise fee for each additional Franchised Restaurant you will open in the Development Area. (Multi-Unit Development Agreement, Section 3.3). If we elect not to grant you the Renewal Development Rights, your Multi-Unit Development Agreement will expire on its scheduled expiration date. (Multi-Unit Development Agreement, Sections 3.2 and 3.5).

General

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned facilities which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

ITEM 13 TRADEMARKS

As a Potato Corner franchisee, you are licensed to use and display the trade name "Potato Corner" and the Potato Corner Marks during the term of your Franchise Agreement and only for the operation of your Franchised Restaurant and the sale of Authorized Potato Corner Products. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliate. Cinco has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO") and has assigned or will assign the following marks to SPAVI:

Mark	Registration Number	Registration Date
	3,760,041	March 16, 2010 Renewed: May 21, 2020
<u>POTATO CORNER</u>	<u>5,900,257</u>	<u>November 5, 2019</u>
<u>WORLD'S BEST FLAVORED FRENCH FRIES</u>	<u>6,088,456</u>	<u>June 30, 2020</u>

Under a License Agreement ~~with Cinco~~ dated October 1, 2010 that Cinco has assigned to SPAVI, ~~Cinco has~~

~~granted us we received~~ an exclusive 20-year license with 3 successive automatic 10 year renewal terms to use the Potato Corner Marks and to sublicense the use ~~if of~~ the Potato Corner Marks to our franchisees for their use in operating their Franchised Restaurants. ~~Cinco-The licensor~~ can terminate the Trademark License Agreement if we breach the Agreement and fail to cure the breach within 30 days of written notice. We can terminate the ~~Trademark~~ License Agreement anytime upon 60 days' notice. ~~Cinco-The licensor~~ has the right to approve all proposed uses of the Potato Corner Marks. No other agreements are currently in effect which limit our use of the trademarks in any manner material to the franchise. If the license is terminated, you may have to switch to a different trademark, which may increase your expenses. There are no currently effective material determinations of the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the trade name Potato Corner or the Potato Corner Marks. ~~Cinco-The licensor~~ intends to file all required affidavits when they become due, as prescribed by law.

You must use the trade name Potato Corner without any suffix or prefix attached to it to identify your Franchised Restaurant. ~~If the franchisee is an entity, you may not use the Potato Corner Marks, or our trade name, or any words or symbols which are confusingly phonetically or visually similar to the Potato Corner Marks, as all or part of the franchisee's name. You are prohibited from using our trade name, trademarks, or service marks as part of any corporate name or using the Potato Corner trade name with any prefix, suffix, or other modifying words, terms, designs, or symbols.~~ You must obtain a fictitious or assumed business name registration as we require or under applicable law. You must identify yourself as the owner of your Franchised Restaurant by placing your name or the name of your franchisee entity on all checks, invoices, receipts, contracts, stationary and other documents by you that bear the Potato Corner trade name, trademarks, or service marks from diminishing or destroying the legal protection to which they are entitled.

You must notify us of any infringement of, challenge to, or unauthorized use of the licensed name or the Potato Corner Marks that comes to your attention, including any claim, suit or demand against you. We and Cinco may take actions we deem appropriate to protect our name or the Potato Corner Marks but we are not obligated by the Franchise Agreement to do so. We and Cinco have the sole right to control any litigation involving our trade name or the Potato Corner Marks and to compromise or settle any claim, in our discretion, at our sole cost and expense, using lawyers of our own choosing, and you must cooperate fully in defending any claim, and you may participate at your own expense in the defense or settlement. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. You agree in your Franchise Agreement not to contest, directly or indirectly, Cinco's ownership, right, title, or interest in the Potato Corner Marks, or contest our sole right to register, use, or license others to use those names and the Potato Corner Marks.

We and Cinco may add to, delete, or modify any or all of the Potato Corner Marks. You must modify or discontinue the use of the Potato Corner Marks, at your expense, if we modify or discontinue it. Neither we nor Cinco will compensate you if we modify or discontinue use of the Potato Corner Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. There are no pending patent or copyright applications that are material to the franchise. We have no registered copyrights, but we claim copyright protection for the Manuals and all marketing material that may be distributed by us. We will loan you one copy of the Manuals for confidential use in your Franchised Restaurant. You may not disclose, publish, sell, show, or reproduce the Manuals and you must return the Manuals to us intact upon termination or expiration of your Franchise Agreement or Multi-Unit Development Agreement.

We regard our Trade Secret Food Ingredients, recipes, our particular method of producing our seasonings, and all the information contained in the Manuals, as proprietary and confidential information owned by us. You agree, as part of your Franchise Agreement, not to contest our exclusive ownership of the copyrights, trade secrets, recipes, processes, methods, procedures, formulae, techniques, and other proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your employees and requiring employees who will have access to our trade secrets to sign agreements containing non-disclosure and non-competition provisions in substantially the form of Exhibit F.

There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

All ideas, concepts, techniques or materials you create while you are a Potato Corner franchisee, whether or not protectable intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of Potato Corner franchise system as a work made for hire for us without compensation to you.

All data pertaining to your Franchised Restaurant and all data you create or collect in connection with your operation of the Franchised Restaurant, including, data pertaining to, or otherwise concerning, the Franchised Restaurant's customers, or that you otherwise collect, including data uploaded to, or downloaded from your computer system is Potato Corner data and is our sole property. We have the right to review and use the Potato Corner data in any manner that we deem appropriate without any compensation to you. You just provide us with copies and/or originals of the Potato Corner data within 5 days after our request for the Potato Corner data at no cost to us and at any time during the term of your Franchise Agreement and upon the expiration and/or termination of your Franchise Agreement. We license the use of the Potato Corner data to you during the term of your Franchise Agreement, at no cost to you, solely for your use in the operation of your Franchised Restaurant. You must maintain the Potato Corner data as secret and confidential must not make any of the Potato Corner data available to any unauthorized person without our prior written consent of and then only in the manner we permit.

The goodwill associated with all phone and fax numbers, email addresses, domain names, websites or webpages, social media and other Internet addresses used in operation of the Franchised Restaurant is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services

guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all, and only, the products and services that we approve. We may add, delete, and change menu items that you may or must offer in our unrestricted discretion, and this may require you to purchase additional equipment. There are no limits on our right to make changes. You may not operate any co-branding system without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved co-brand for operation within Potato Corner Restaurants. “Co-branding” includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated within the Franchised Location or is adjacent to the Franchised Location and is operated in a manner likely to cause the public to perceive that it is related to your Franchised Restaurant. We may, on occasion, require you to test market products and/or services at your Franchised Restaurant. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your Franchised Restaurant without our prior written consent. You cannot sell Potato Corner Authorized Products on the Internet, establish an account, or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Potato Corner System, us or any of our affiliates, without our prior approval.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and Multi-Unit Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement (Exhibit A)	Summary
a. Length of the term of the franchise	Section 3.1	10 years
b. Renewal or extension of the term	Section 3.2	Successive 10 year terms
c. Requirements for Franchisee to renew or extend	Sections 3.2 – 3.4	You must notify us you wish to renew no less than 12 months prior to the expiration date of your Franchise Agreement; have complied with your obligations during the term of your Franchise Agreement;

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		at our request, renovate or modernize your Franchised Restaurant to comply with our then-current standards for a new Potato Corner Restaurant; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee; sign a general release (subject to applicable state law) and provide us with a Guarantee signed by all owners of 10% or more of the equity of the franchisee and their spouses (if the franchisee is an entity). The royalty and other fees payable under your renewal Franchise Agreement will be at the rates then applicable to new franchisees.
d. Termination by Franchisee	Article 16	You may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Sections 16.1 – 16.3 and 16.5	We can terminate the Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Multi-Unit Development Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us (subject to state law).
g. “Cause” defined – curable defaults	Section 16.3	You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2 (subject to state law).
h. “Cause” defined non-curable defaults	Sections 16.1 and 16.2	Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of your Franchised Restaurant; knowingly maintaining false books or records or submitting false reports or knowingly underreporting gross sales; materially misusing the Potato Corner Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; failure to meet the site selection requirements, enter a Lease or open your Franchised Restaurant within the applicable time periods provided for in the Franchise Agreement; purchasing products from suppliers other than Potato Corner Approved Suppliers; selling any food products other than Potato Corner Authorized Products at

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		your Franchised Restaurant; a breach of your obligations under the Franchise Agreement or any other agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Franchise Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your operation of the Potato Corner Restaurant; and engaging in any lewd or immoral conduct whether or not in connection with your operation of the Potato Corner Restaurant (subject to state law).
i. Franchisee's obligations on termination/nonrenewal	Sections 17.1 - 17.4, 17.7 and 17.8	You must cease use of the Potato Corner Marks, de-identify your Franchised Restaurant, pay all amounts due to us, and return the Manuals, <u>and allow us permanent and unfettered access to your POS System</u> . We may, at our option, assume all telephone numbers for your Franchised Restaurant. You must, at our option, cancel or assign to us your rights to any Internet websites or web pages or e-mail addresses or assumed, fictitious or corporate names that contain the Potato Corner Marks. See also "r" below.
j. Assignment of contract by Franchisor	Section 14.1	No restriction on our right to assign.
k. "Transfer" by Franchisee – definition	Section 14.2	Includes transfer of the Franchise Agreement or change in ownership of the business entity that owns it.
l. Franchisor's approval of transfer by Franchisee	Section 14.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 14.2, 14.4	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement), provide us with a Guarantee signed by all owners who own of the proposed franchisee and their spouses (if the proposed franchisee is an entity) and you must be in good standing, sign a general release (subject to applicable state law), sign a Guarantee of the transferee's obligations under the new Franchise Agreement in our favor and pay the transfer fee. See also "r" below. If the Franchise Agreement has been signed under a Multi-Unit Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.

Provision	Section in Franchise Agreement (Exhibit A)	Summary
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 14.3	We can match any offer for your business.
o. Franchisor's option to purchase Franchisee's business	Section 17.5	When your Franchise Agreement expires or is terminated, we have the option to purchase some or all of the assets of your Franchised Restaurant and some or all of your assets related to your Franchised Restaurant.
p. Death or disability of Franchisee	Section 14.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 15.2	Subject to state law, you are prohibited from: (i) diverting any present or prospective Potato Corner customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Potato Corner Marks and the Potato Corner System; or (ii) owning or having any interest in a "Competitive Business", which is defined as any restaurant business that prepares, offers and sells french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products as its primary menu items and any business that looks like, copies, imitates, or operates with similar trade dress or décor to a Potato Corner Restaurant.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	Subject to state law, for 2 years after the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a Competitive Business located at the Franchised Location or within 2 miles of the Franchised Location or any other Potato Corner Restaurant. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period after the termination, transfer, or expiration of your Franchise Agreement, 7% of the gross revenue of any business that provides similar services or products.
s. Modification of the agreement	Sections 6.4, 21.5	The Franchise Agreement can be modified or amended only by written agreement of all of the parties. The Manuals are subject to change at any time. You must comply with any changes made to the Manuals.
t. Integration/ merger clause	Section 21.5	Only the terms of the Franchise Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of this Disclosure Document and other agreements may not be enforceable. Nothing in the Franchise Agreement or any Exhibit is

Provision	Section in Franchise Agreement (Exhibit A)	Summary
		intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 19.1 and 19.2	Subject to applicable state law, we e must first attempt to resolve all disputes by mediation and arbitration in Los Angeles County, California, except for certain matters that may be brought in court.
v. Choice of forum	Section 19.2	All proceedings will be held in Los Angeles County, California, subject to applicable state law. See the State Specific Addenda (<u>Exhibit H</u>) attached to this Disclosure Document.
w. Choice of law	Section 19.3	California, subject to the exception provided in Section 19.2 of the Franchise Agreement and applicable state law. See the State Specific Addenda (<u>Exhibit H</u>) attached to this Disclosure Document.

MULTI-UNIT DEVELOPMENT AGREEMENT

Provision	Section in Multi-Unit Development Agreement (Exhibit B)	Summary
a. Length of the term of the Multi-Unit Development	Section 3.1	10 years or the date you sign the Franchise Agreement for the last Franchised Restaurant necessary to satisfy your development obligations, whichever is earlier.
b. Renewal or extension of the term	Section 3.2	If you satisfy the Development Obligation and desire to develop and open additional Franchised Restaurants in the Development Area, you will have the right to extend the term of your Development Agreement for an additional 10 years provided you comply with the conditions in the Multi-Unit Development Agreement.
c. Requirements for Multi-Unit Developer to renew or extend	Sections 3.2 – 3.4	You must notify us you wish to renew no less than 180 prior to the expiration date of your Multi-Unit Development Agreement, sign our then-current Multi-Unit Development Agreement, which will contain your additional development obligations during the renewal term; you must sign a sign a general release (subject to applicable state law) and provide us with a Guarantee signed by all owners of 10% or more of the equity of the multi-unit developer and their spouses (if the Multi-Unit Developer is an entity); you may be asked to sign a Multi-Unit Development Agreement and Franchise Agreement that contains terms and conditions materially different from those in your previous agreements; you must have fulfilled all of your obligations under the Multi-Unit Development Agreement; you must demonstrate your financial ability to implement and complete your renewal development obligations; and you must pay the renewal fee.

Provision	Section in Multi-Unit Development Agreement (Exhibit B)	Summary
d. Termination by Multi-Unit Developer	Article 11	You may terminate the Multi-Unit Development Agreement under any grounds permitted by law.
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "cause"	Section 11.5	We can terminate the Multi-Unit Development Agreement if you default under your Multi-Unit Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us (subject to state law).
g. "Cause" defined - curable defaults	Section 11.3	You have 30 days to cure defaults under your Multi-Unit Development Agreement, and in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control (subject to state law).
h. "Cause" defined –non-curable defaults	Sections 11.1 and 11.2	Non-curable defaults include: bankruptcy, insolvency; unapproved transfers; fail to open any Potato Corner Restaurant in any Non-Exclusive Venue within your development schedule; any breach of the covenants not to compete set forth in Section 13; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; a breach of your obligations under the Multi-Unit Development Agreement or any other agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Multi-Unit Development Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your development of Potato Corner Restaurants; and engaging in any lewd or immoral conduct whether or not in connection with your development of Potato Corner Restaurants (subject to state law).
i. Multi-Unit Developer's obligation on termination/non-renewal	Section 12.1	You will have no further right to develop or operate additional Potato Corner Restaurants which are not, at the time of termination, the subject of a then validly existing Franchise Agreement between you and us. You may continue to own and operate all Potato Corner Restaurants under then validly existing Franchise Agreements.
j. Assignment of contract by Franchisor	Section 9.1	No restrictions on our right to assign.
k. "Transfer" by Multi-Unit Developer – defined	Section 9.2	Includes transfer of the agreement or changes in ownership of the business entity which owns it. No shares of a Multi-Unit Developer that is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor's approval of transfer by Multi-Unit Developer	Section 9.2	Transfers require our prior written consent, which will not be unreasonably withheld.

Provision	Section in Multi-Unit Development Agreement (Exhibit B)	Summary
m. Conditions for Franchisor's approval of transfer	Sections 9.2.1 and 9.4	Except as described below, you may not transfer any Franchise Agreement signed under the Multi-Unit Development Agreement except with our written consent and a simultaneous assignment of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under the Multi-Unit Development Agreement to the same assignee. The proposed buyer must sign our then-current form of Franchise Agreement for each of your Franchised Restaurants then developed or under development. The proposed transferee must qualify as a franchisee and sign our then-current Multi-Unit Development Agreement and provide us with a Guarantee signed by all equity owners of the proposed franchisee and their spouses (if the proposed transferee is an entity) and you must be in good standing, sign a general release (subject to applicable state law), sign a Guarantee of the transferee's obligations under new Multi-Unit Development Agreement and pay the transfer fee. See also "r" below.
n. Franchisor's right of first refusal to acquire Multi-Unit Developer's business	Section 9.3	We may match any offer to purchase your business.
o. Franchisor's option to purchase Multi-Unit Developer's business	Section 9.1	We may sell our assets, the Potato Corner Marks or the Potato Corner System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (each a "Capital Event") all without your consent or approval by you. Upon the occurrence of a Capital Event, we have the right to compel you to sell to us the assets of all your Potato Corner Restaurant, whether or not they are open or under construction.
p. Death or disability of Multi-Unit Developer	Section 9.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 13.2	Subject to state law, you are prohibited from: (i) diverting any present or prospective Potato Corner customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Potato Corner Marks and the Potato Corner System; or (ii) owning or having any interest in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.3	Subject to state law, for 2 years after the expiration or termination of your Multi-Unit Development Agreement, you cannot own or have any interest in a Competitive Business within 2 miles of any Franchised Location or within a 2 mile radius of any Potato Corner Restaurant.

Provision	Section in Multi-Unit Development Agreement (Exhibit B)	Summary
s. Modification of the Multi-Unit Development Agreement	Section 18.5	The Multi-Unit Development Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 18.5	Only the terms of the Multi-Unit Development Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of this Disclosure Document and other agreements may not be enforceable. Nothing in the Multi-Unit Development Agreement or any related Exhibit is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 15.1 and 15.2	Subject to applicable state law, we must first attempt to resolve all disputes by mediation and arbitration in Los Angeles County, California, except for certain matters that may be brought in court.
v. Choice of forum	Section 15.2	All proceedings will be held in Los Angeles County, California, subject to applicable state law. See the State Specific Addenda (<u>Exhibit H</u>) attached to this Disclosure Document.
w. Choice of law	Section 15.3	California, subject to the exception provided in Section 15.2 of the Multi-Unit Development Agreement and applicable state law. See the State Specific Addenda (<u>Exhibit H</u>) attached to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

No compensation or other benefit is given or promised to a public figure for the use of a public figure in the name or symbol of Potato Corner Restaurants or the endorsement or recommendation of Potato Corner Restaurants by a public figure in advertisements.

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 of a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing

outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Guy Koren, PCJV USA, LLC, 8657 Hayden Place, Culver City, California 90232, Telephone: (323) 951-1155; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 202~~10~~ to 202~~32~~

Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change
Franchised				
	2020	27	27	0
	2021	27	26	-1
	2022	26	26	0
	2023	26	27	+1
Affiliate-Owned ¹				
	2020	8	8	0
	2021	8	9	+1
	2022	9	9	0
	2023	9	11	+2
Total Outlets				
	2020	35	35	0
	2021	35	35	0
	2022	35	35	0
	2023	35	38	+3

¹The Affiliate Companies operate ~~89~~ Potato Corner Restaurants in California as franchisees: NKM Capital Group, LLC operates two Potato Corner Restaurants in Arcadia. J & K Americana, LLC operates one Potato Corner Restaurant in Glendale. J & K Lakewood, LLC operates one Potato Corner Restaurant in Lakewood. J & K Ontario, LLC operates one Potato Corner Restaurant in Ontario. J & K Valley Fair, LLC operates one Potato Corner Restaurant in Santa Clara. J & K PC Trucks LLC operates one food truck in the greater Los Angeles area. HLK Milpitas, LLC operates one Potato Corner Restaurant in Milpitas. GK Cerritos, LLC operates one Potato Corner Restaurant in Cerritos. ~~In September 2019, weWe own and operate acquired one franchised two~~ Potato Corner Restaurant in Downey, California and Roseville, California. For purposes of this Item 20, these outlets are collectively referred to as "Affiliate-Owned Outlets."

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR FISCAL YEARS 202~~10~~ to 202~~32~~

State	Year	Number Of Transfers
California <u>Arizona</u>		
	2020	0
	2021	0
	2022	0

\\Prolaw1\shares\Documents\MJS\26053-22\3235556.docx\\Prolaw1\shares\Documents\MJS\26053-22\3150666-4.docx\\Prolaw1\shares\Documents\MJS\26053-22\3038088-2.docx

202~~43~~ PCJV USA, LLC FDD

4/19/244/19/244/19/244/19/244/18/244/17/244/16/244/16/244/16/244/15/244/14/244/13/244/9/243/21/243/20/243/20/243/20/242/9/241/17/24

State	Year	Number Of Transfers
	<u>2023</u>	<u>2</u>
Total Outlets		
	<u>2020</u>	<u>0</u>
	2021	0
	2022	0
	<u>2023</u>	<u>2</u>

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS 202~~10~~ TO 202~~32~~

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets At End Of The Year
<u>Alabama</u>								
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Arizona								
	<u>2020</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
California ²								
	<u>2020</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>8</u>
	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	<u>2023</u>	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>9</u>
Florida								
	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Georgia								
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Hawaii</u>								
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota								
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2021	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets At End Of The Year
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada								
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	1
New Jersey								
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
New Mexico								
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
New York								
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania								
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Texas								
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Washington								
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total Outlets								
	2020	27	2	0	0	0	2	27
	2021	27	0	0	0	0	1	26
	2022	26	2	0	0	0	2	26
	2023	26	4	0	0	1	2	27

² The Roseville Restaurant ~~One outlet~~ had several changes of ownership during the fiscal year. After a

termination in April 2021, we reacquired ~~the Roseville Restaurant a California outlet~~ from its owner-franchisee and then resold it to a ~~new-different~~ franchisee in May 2021. ~~We reacquired the Roseville Restaurant from this franchisee in November 2023.~~

TABLE NO. 4
STATUS OF AFFILIATE-OWNED OUTLETS ³
FOR FISCAL YEARS 202~~10~~ TO 202~~32~~

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets At End Of The Year
California							
	2020	8	0	0	0	0	8
	2021	8	3	1	2	1	9
	2022	9	0	0	0	0	9
	2023	9	1 ⁴	1	0	0	11
Total Outlets							
	2020	8	0	0	0	0	8
	2021	8	3	1	2	1	9
	2022	9	0	0	0	0	9
	2023	9	1	1	0	0	11

³See Note 1 regarding Affiliate-Owned Outlets.

⁴~~The Affiliate-Owned Outlet in Santa Clara reopened in 2023 after it closed in 2021.~~

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 202~~23~~³²

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
California	35 ³²	34 ³²	32 ³²
Hawaii	10 ³²	10 ³²	0
Florida	1	10 ³²	0
New York	10 ³²	10 ³²	0
Texas	0	1	0
Totals	84 ³²	75 ³²	32 ³²

Exhibit K contains a list of the names, addresses, and telephone numbers of all operating Potato Corner Restaurants as of December 31, 202~~23~~³², Potato Corner Restaurants that were not yet open as of December 31, 202~~23~~³², Potato Corner Restaurants that were transferred from a franchisee to a new owner as of December 31, 202~~23~~³², and former Potato Corner franchisees who had outlets terminated, cancelled, or not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our last fiscal year, or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit I are our ~~unaudited interim financial statements for the period January 1, 2023 through March 31, 2023; and~~ audited financial statements as of December 31, 202~~23~~³², December 31, 202~~21~~²⁰ and December 31, 201~~9~~¹⁰. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

Attached as Exhibit A is a copy of our current form of Franchise Agreement.

Attached as Exhibit B is a copy of our current form of Multi-Unit Development Agreement.

Attached as Exhibit C is a copy of our current form of Mobile Restaurant Addendum.

Attached as Exhibit D is a copy of our current form of Option to Obtain Lease Assignment.

Attached as Exhibit E is a copy of our current form of Confidentiality Agreement for Prospective Franchisees.

Attached as Exhibit F is a copy of our current form of Non-Disclosure and Confidentiality Agreement for Employees of Franchisee.

Attached as Exhibit G is a copy of our current form of General Release.

Attached as Exhibit H is a copy of our current form of State Specific Addenda.

ITEM 23
RECEIPTS

2 copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit L. Please return one copy to us and retain the other for your records.

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A
FRANCHISE AGREEMENT

PCJV USA, LLC
FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

RESTAURANT ADDRESS

PCJV USA, LLC
FRANCHISE AGREEMENT

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EXHIBITS

EXHIBIT A	FRANCHISE INFORMATION
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EXHIBIT C	GUARANTEE OF FRANCHISE AGREEMENT
EXHIBIT D	DEBIT AUTHORIZATION FORM

PCJV USA, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of the "Effective Date" set forth on Exhibit A by and between PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), on the one hand, and the individuals or Entity identified as "Franchisee" on Exhibit A, on the other hand, who are individually referred to in this Agreement as a "Party", and collectively referred to in this Agreement as "Parties", with reference to the following facts:

A. Franchisor and its affiliates have developed the "Potato Corner System" for the establishment and operation of restaurants ("Potato Corner Restaurants") that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products (collectively, the "Potato Corner Menu Items") under the trade name and service mark "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks"). The Potato Corner Menu Items are prepared according to specified recipes and procedures and use high quality ingredients, including specially formulated and specially produced proprietary lines of flavoring and seasoning and other food products (collectively, the "Trade Secret Food Ingredients").

B. Franchisee desires to obtain a license and franchise to develop, own and operate one Potato Corner Restaurant (the "Franchised Restaurant") under the Potato Corner Marks in strict accordance with the Potato Corner System and the standards established by Franchisor from time to time, and Franchisor is willing to grant Franchisee a license and franchise under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, THE PARTIES AGREE:

11. DEFINITIONS

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

"Abandon" means (i) Franchisee's failure, at any time during the Term, to keep the Franchised Restaurant open and operating for business for a period of five (5) consecutive days; (ii) Franchisee's failure to keep the Franchised Restaurant open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Restaurant, unless the failure to operate is due to Force Majeure (subject to Franchisee's continuing compliance with this Agreement); (iii) the withdrawal of permission from the Landlord that results in Franchisee's inability to continue operation of the Franchised Restaurant at the Franchised Location; or (iv) a closure of the Franchised Restaurant required by Applicable Law.

"Affiliate" or "Affiliates" mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

"Applicable Law" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Restaurant that are in effect on or after the Effective Date, as they may be amended from time to time.

"Business Judgment" means that Franchisor is allowed to exercise its judgment however Franchisor believes is appropriate in a given circumstance without limitation, subject to the use of that discretion in any reasonable way as more fully described in [Section 21.148](#).

"Co-Branding" means the operation of an independent business, product line or operating system owned or licensed by another Entity (not Franchisor) that is featured or incorporated within the Franchised Restaurant or is adjacent to the Franchised Restaurant and operated in a manner likely to cause the public to perceive it is related to the Franchised Restaurant. An example would be an independent ice cream store or counter installed within the Franchised Restaurant.

"Competitive Business" means any restaurant business that prepares, offers and sells flavored french fries, baked potatoes, hash browns, loopy fries and chicken tenders as its primary menu items and any business that looks like, copies, imitates, or operates with similar trade dress or décor to a Potato Corner Restaurant.

"Constituents" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

"Crisis Management Event" means any event that occurs at or about the Franchised Restaurant that has or may cause harm or injury to customers or employees, including, without limitation, food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, epidemics, pandemics or any other circumstance which may damage the Potato Corner System, the Potato Corner Marks, or the image or reputation of Franchisor and its Affiliates.

"Default" means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

"Electronic Signature" means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

"Entity" means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual.

"Equity" means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

"Expiration Date" means the tenth anniversary of the Opening Date as set forth on [Exhibit A](#).

"Food Delivery Services" means on-line third-party food-ordering platforms that deliver Potato Corner Authorized Products.

"Force Majeure" means any event (i) that was reasonably unforeseeable as of the Effective Date, (ii) that is beyond the reasonable control, directly or indirectly, of a Party, (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence, (iv) that does not result from the fault or negligence of that Party or its agents, employees or contractors, and (v) that causes

performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, "Force Majeure" includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), (b) strikes, lockouts or other industrial disturbances, (c) war, terrorist acts, riot, or other civil disturbance, (d) unilateral governmental action impacting restaurants generally, and (e) contagious disease, epidemics, pandemics, transportation shortages, inadequate supply of labor, material or energy, or a Party foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, Landlord, contractor, or other Person, or Franchisee's financial inability to perform or Franchisee's insolvency, shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. An event of Force Majeure will not affect or change Franchisee's obligation to pay Royalty Fees, Marketing Fund Fees, Software License Fees or any other fees owed to Franchisor when due.

"Franchised Location" means the site of the Franchised Restaurant as set forth on Exhibit A.

"General Manager" means an individual who is responsible for overseeing the operation of the Franchised Restaurant in the absence of the Principal Owner as set forth on Exhibit B.

"General Release" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"Grand Opening Marketing Expenditure" means the up to \$5,000 that Franchisee must spend for a promotional campaign for the grand opening of the Franchised Restaurant thirty (30) days before, and sixty (60) days after, the Opening Date.

"Good Standing" means Franchisee is in substantial compliance with the material requirements of this Agreement, the Manuals and all other agreements then in effect between Franchisor, or its Affiliates, and Franchisee, and has substantially cured each curable Default for which Franchisor has issued a Notice of Default to Franchisee within the time periods set forth in Article 16.

"Governmental Authority" means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

"Gross Sales" means the total of all revenues derived from sales of any nature or kind whatsoever from the Franchised Restaurant during the Term, as well as the proceeds from any business interruption insurance related to the non-operation of the Franchised Restaurant, and whether evidenced by cash, services, property, barter, or other means of exchange, including orders taken in or from the Franchised Restaurant although filled elsewhere and delivery and catering charges that are not included in the price of the Potato Corner Authorized Products. "Gross Sales" shall include the full value of drinks and snacks Franchisee provides to its employees as incident to their employment (less the value of any discounts against Gross Sales given during the month in which the drinks and snacks were provided) and all proceeds from the sale of coupons, gift

certificates or vouchers. "Gross Sales" shall exclude the amount of bona fide refunds paid to customers and the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates and vouchers when they are redeemed.

"Initial Franchise Fee" means the \$30,000 initial fee that Franchisee must pay Franchisor for the right to operate the Franchised Restaurant under this Agreement.

"Initial Term" means the ten (10) year period commencing on the Opening Date and ending on the Expiration Date.

"Initial Training Program" means Franchisor's training program that Franchisor shall provide for up to two (2) persons selected by Franchisee who must include the Principal Owner and General Manager, at no charge to Franchisee before Franchisee begins servicing customers and that Franchisor may provide at other times during the Term, upon Franchisee's request, and by mutual arrangement of the Parties for the fees described in this Agreement. Franchisor may modify the Initial Training Program at any time without notice.

"Landlord" means the owner of the Franchised Location who enters into a Lease with Franchisee for the Franchised Location.

"Lease" means any agreement, however denominated, that allows Franchisee to occupy a Franchised Location owned by a Landlord, including any lease, sublease, concession agreement, license and similar arrangement between Franchisee and a Landlord.

"Local Store Marketing Expenditures" means the monthly expenditures that Franchisee shall spend each calendar month during the Term for local promotion and marketing of the Franchised Restaurant equal to one percent (1%) of the Gross Sales of the Franchised Restaurant. Franchisor shall have the right to adjust the amount of the Local Store Marketing Expenditure at any time and from time to time during the Term upon ninety (90) days' prior written notice from Franchisor to Franchisee, to an amount not to exceed two percent (2%) of Gross Sales.

"Manuals" means Franchisor's Operations Manual, which may consist of one (1) or more manuals, and any other written directives related to the Potato Corner System, as they may be amended, issued and revised from time to time.

"Marketing Fund" means the fund that Franchisor has established to promote the Potato Corner Marks and Potato Corner Restaurants.

"Marketing Fund Fees" means the fees that Franchisor may require Franchisee to pay the Marketing Fund as a percentage of the Gross Sales of the Franchised Restaurant if and when Franchisor requires, at any time on 90 days' prior written notice to Franchisee, and which shall not exceed one percent (1%) of the Gross Sales of the Franchised Restaurant.

"NACHA" means the National Automated Clearing House Association, an organization that establishes the standards and rules followed by financial institutions for transferring payments.

"Non-Proprietary Products" means the food and beverage products, condiments, drink ingredients, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, POS Systems, computer hardware, software, modems and peripheral equipment and other products,

supplies, services and equipment, other than Potato Corner Branded Products and Potato Corner Proprietary Products, that Franchisee may or must use, offer and sell at the Franchised Restaurant.

“Non-Traditional Venues” means a broad variety of atypical sites, including, without limitation, a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train and bus stations, travel plazas, toll road facilities and other transportation terminals, food service fulfillment centers, educational, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store), cafeterias and casinos, and any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider.

“Notice of Default” means a written notice from one Party to another Party demanding the cure of a Default and demanding that the defaulting Party provide evidence of the cure to the other Party.

“On-Site Opening Assistance Fee” means the up to \$5,000 fee that Franchisee must pay Franchisor to provide on-site opening assistance if the Franchised Restaurant is more than 100 miles from Franchisor’s corporate office in Culver City, California.

“Open,” “Open for Business,” and “Opened” means that Franchisee has actually begun to offer Potato Corner Authorized Products for sale to the public from the Franchised Restaurant.

“Opening Date” means the day that (i) Franchisee receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations at the Franchised Restaurant, and (ii) Franchisee actually begins to offer Potato Corner Authorized Products for sale to the public from the Franchised Restaurant, whichever occurs last, which shall be no later than the first anniversary of the Effective Date as set forth on Exhibit A.

“Owner” means each of the individuals listed on Exhibit B and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Franchisee who owns ten percent (10%) or more of the Equity of Franchisee. If Franchisee is an Entity, each Owner and each Owner’s spouse shall jointly and severally guarantee Franchisee’s payment and performance of its obligations under this Agreement under a Guarantee in the form of Exhibit C.

“Payment Network” means Visa, MasterCard and any credit or debit card network issuing credit or debit cards and/or their duly authorized entities, agents or affiliates.

“Payment Processors” means all credit card, debit card and/or ACH processors whose services Franchisor may require Franchisee to utilize, as well as payment gateway service providers.

“Payment Rules” means the operating rules and regulations of Payment Processors and any applicable Payment Network, as in effect from time to time.

“Person” means any natural person or Entity.

“Post-Opening Initial Training Fee” means the \$2,500 fee Franchisee shall pay Franchisor for each trainee if Franchisee requests Franchisor to provide its Initial Training Program for new or replacement supervisory or managerial personnel of Franchisee following the Opening Date of the Franchised Restaurant.

“Post-Opening Additional Training Program Daily Fee” means the \$250 daily fee Franchisee shall pay Franchisor for Post-Opening Additional Training Programs provided by Franchisor for each of Franchisor’s representatives who provides Post-Opening Additional Training Programs for Franchisee.

“Potato Corner Authorized Products” means all Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products offered for sale or used at Potato Corner Restaurants, as specified by Franchisor from time to time.

“Potato Corner Approved Suppliers” means suppliers of Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products, and ancillary services, Food Delivery Services, food products, beverages, packaging, supplies, furniture, fixtures and equipment for Potato Corner Restaurants that have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for Potato Corner Restaurants meeting Franchisor’s specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Potato Corner Approved Suppliers.

“Potato Corner Branded Products” means any product now existing or developed in the future that bears any of the Potato Corner Marks, including products that are prepared, sold and/or manufactured in strict accordance with Franchisor’s recipes, methods, standards and specifications, including, without limitation, pre-packaged food and beverage products, packaging, clothing, souvenirs and novelty items.

“Potato Corner Franchise Agreements” means Franchise Agreements between Franchisor and Potato Corner Franchisees for Potato Corner Restaurants, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Potato Corner Franchisees” means the parties who enter into Potato Corner Franchise Agreements with Franchisor to develop, own and operate Potato Corner Restaurants.

“Potato Corner Proprietary Products” means Potato Corner food products, beverages, packaging and other items that are produced or manufactured strictly in accordance with the Potato Corner Trade Secrets or that Franchisor or its Affiliates otherwise designate as proprietary and include, without limitation, certain equipment, oil, french fries, small wares, sodas, other paper products, CCTV camera, accounting software, sour cream, cheese, sauces, dips, jalapeño, baked potatoes, chicken, seasonings, and Trade Secret Food Ingredients.

“Potato Corner System” means the system developed by Franchisor and its Affiliates that includes operating methods and business practices related to Potato Corner Restaurants, the relationship between Franchisor and Potato Corner Franchisees, interior and exterior restaurant design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and unique cooking techniques and methods, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor’s Website, all as Franchisor may modify the same from time to time.

“Potato Corner Trade Secrets” means proprietary and confidential information of Franchisor and its Affiliates, including, the Trade Secret Food Ingredients, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating Potato

Corner Restaurants and producing Potato Corner Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that Franchisee can show was already lawfully in Franchisee's possession before receipt from Franchisor

"Pre-Opening Additional Initial Training Fee" means the \$2,500 fee Franchisee shall pay Franchisor for each additional trainee if Franchisee requests Franchisor to provide its Initial Training Program to more than two (2) supervisorial or managerial personnel selected by Franchisee prior to the Opening Date of the Franchised Restaurant.

"Principal Owner" means the individual designated by Franchisee on Exhibit B and accepted by Franchisor to serve as the primary operator of the Franchised Restaurant, to serve as the authorized representative of Franchisee, who shall have at least a seventy percent (70%) interest in the Equity of Franchisee, who shall act as Franchisee's representative in all matters with Franchisor as Franchisee's liaison with Franchisor and the Owners, and who shall have the authority to act on behalf of Franchisee during the Term without the active participation of any other Owner.

"Protected Area" means the geographic area designated on Exhibit A.

"Recommended Suppliers" means suppliers of Non-Proprietary Products who are recommended by Franchisee to become Potato Corner Approved Suppliers.

"Relocation Fee" means the \$5,000 fee that Franchisee must pay Franchisor if Franchisee requests Franchisor to consent to a relocation of the Franchised Restaurant, plus Franchisor's out-of-pocket expenses, including transportation, food and lodging for reviewing a new location.

"Renewal Fee" means 80% of the then-current Initial Franchise Fee for new franchisees that Franchisee must pay Franchisor to extend the Initial Term and each Renewal Term.

"Renewal Right" means the right held by Franchisee to renew this Agreement for successive Renewal Terms upon the expiration of the Initial Term and prior Renewal Terms.

"Renewal Term" means successive periods, each for ten (10) years.

"Renewal Term Expiration Date" means the tenth anniversary of the commencement date of each Renewal Term.

"Restricted Person" means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

"Royalty Fees" means the monthly royalty fees that Franchisee shall pay Franchisor equal to the percentage of the Gross Sales of the Franchised Restaurant set forth on Exhibit A.

"Software License Fees" means the \$400 fee that Franchisee shall pay Franchisor to install the POS System and inventory control software designated by Franchisor and the up to \$600 continuing monthly fee that Franchisee shall pay Franchisor for the continuing right to use the POS System and inventory control software designated by Franchisor. Franchisor may, at any time during the Initial Term, upon ninety (90) days' prior notice to Franchisee, increase the amount of the Software License Fees.

"Term" means the Initial Term unless this Agreement is extended for one or more Renewal Terms, in which case "Term" shall mean both the Initial Term and the Renewal Terms.

"Then-Current" means the form of agreement then-currently provided by Franchisor to similarly situated prospective Potato Corner Franchisees which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion which previously has been delivered to and executed by a Potato Corner Franchisee of Franchisor, or, as the context of this Agreement indicates, the fees then-currently charged by Franchisor or its Affiliates, or Franchisor's specifications, standards or the like.

"Transfer Fee" means 80% of the then-current Initial Franchise Fee for new franchisees that Franchisee must pay Franchisor as a condition precedent to an Assignment of this Agreement.

"Website" means an interactive electronic document contained in a network of computers linked by communication software that refers to the Franchised Restaurant, the Potato Corner Marks, Franchisor or the Potato Corner System, and includes Internet and World Wide Web home pages.

2. GRANT

2.1 Grant. Franchisor hereby awards Franchisee, and Franchisee hereby accepts, the right, license and obligation, during the Initial Term, to use and display the Potato Corner Marks and use the Potato Corner System to continually operate one (1) Potato Corner Restaurant at, and only at, the Franchised Location, upon the terms and subject to the provisions of this Agreement and all ancillary documents binding the Parties. Franchisee shall utilize the Franchised Location only for the operation of the Franchised Restaurant. Franchisee shall not sublicense, sublease, subcontract or enter any management agreement providing for the right to operate the Franchised Restaurant or to use the Potato Corner System granted pursuant to this Agreement.

2.2 Protected Area. ~~Except as provided in Section 2.3, during~~ During the Initial Term, and provided that Franchisee is not in Default under this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee, Franchisor shall not own, operate, sell or issue a franchise for any other Potato Corner Restaurant within the Protected Area. Notwithstanding the foregoing, however, if the Franchised Location is located at a Non-Traditional Venue, the Protected Area shall be limited to the Non-Traditional Venue. Except as provided in this Section 2.2, Franchisee shall have no territorial or protective rights with respect to the Potato Corner Restaurant, and Franchisor shall have the right to place other Potato Corner Restaurants anywhere it desires outside the Protected Area. Franchisee shall not receive an exclusive territory. Unless Franchisor agrees otherwise in writing, Franchisee may only accept and fulfill orders received from Food Delivery Services in the Protected Area. Franchisee must advise all Food Delivery Services of these delivery restrictions imposed on Franchisee. The license granted to Franchisee under this Agreement is nonexclusive, and ~~except as provided in this Section 2.2, Franchisee shall have no territorial or protective rights.~~

2.3 Rights Reserved by Franchisor. Franchisor and its Affiliates expressly reserve all other rights with respect to the Potato Corner System, the Potato Corner Marks and Potato Corner Restaurants, including the exclusive right, in their discretion, directly or indirectly, without paying Franchisee any compensation or granting Franchisee any rights in the same, to (i) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, Potato Corner Restaurants at any location outside of the Protected Area regardless of its proximity to the Franchised Restaurant; (ii) develop, own and operate, and

to grant licenses and franchises to third parties to develop, own and operate, any other business other than a Competitive Business, under marks and systems different from the Potato Corner Marks and the Potato Corner System at any location regardless of its proximity to the Franchised Restaurant; (iii) sell or distribute, at retail or wholesale, directly or indirectly, and license others to sell or distribute, Potato Corner Branded Products from any location within or outside of the Protected Area regardless of proximity to the Franchised Restaurant, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) market on the Internet and use the Potato Corner Marks on the Internet, including all use of Websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) deliver and/or license to other Potato Corner Restaurants or third parties to deliver at any location within or outside of the Protected Area without compensation to Franchisee, and to establish a delivery policy in the future which may restrict the delivery jurisdiction of Franchisor or of any Potato Corner Franchisees; (vi) develop, own or operate and to grant licenses or franchises or licenses to third parties to develop, own or operate Potato Corner Restaurants at Non-Traditional Venues within and outside of the Protected Area regardless of their proximity to the Franchised Restaurant; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Potato Corner Restaurants and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Potato Corner Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (ix) engage in all other activities that this Agreement does not expressly prohibit.

3. INITIAL AND RENEWAL TERMS.

3.1 Initial Term. The Initial Term shall commence on the Opening Date and shall expire on the Expiration Date. If Franchisee does not elect to renew the Initial Term under Section 3.2, this Agreement shall expire on the Expiration Date.

3.2 Renewal Right. Upon the expiration of the Initial Term, Franchisee shall have the right (the "Renewal Right") to enter into a new franchise agreement in the Then-Current form then generally being offered to prospective Potato Corner Franchisees (a "Renewal Franchise Agreement") for successive Renewal Terms. If Franchisee desires to exercise the Renewal Right for a Renewal Term, Franchisee shall, no later than twelve (12) months prior to the Expiration Date or Renewal Term Expiration Date, as the case may be, notify Franchisor in writing (the "Renewal Notice") that Franchisee desires to extend the Initial Term or Renewal Term for the duration of the Renewal Term or the next successive Renewal Term, as the case may be. If Franchisee exercises a Renewal Right, this Agreement shall terminate on the next Renewal Term Expiration Date. This Agreement is not otherwise renewable.

3.3 Conditions to Renewal. Franchisee may exercise its Renewal Rights only if all of the following conditions precedent are satisfied prior to the Expiration Date or Renewal Term Expiration Date, as the case may be: (i) Franchisee shall fully perform all of its obligations under this Agreement, any Multi-Unit Development Agreement and all other agreements binding the Parties and shall be in Good Standing on the date of the Renewal Notice, on the date of Franchisor's execution of the Renewal Franchise Agreement and on the Expiration Date or the Renewal Term Expiration Date, as the case may be; (ii) Franchisee shall, prior to the commencement date of the Renewal Term, undertake and complete at its expense, the remodeling, renovation, modernization, and refurbishing of the Franchised Location and the Franchised Restaurant to comply with Franchisor's Then-Current specifications and standards for new Potato Corner Restaurants; (iii) Franchisee

shall not commit three (3) or more material Defaults during any eighteen (18) month period during the then-expiring Initial Term or Renewal Term, as the case may be, which are subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iv) Franchisee shall continue to comply with the terms and conditions of this Agreement; (v) Franchisee shall satisfy Franchisor's Then-Current qualifications and training requirements; (vi) Franchisee shall execute and deliver to Franchisor a General Release; (vii) each Owner and each Owner's spouse of Franchisee shall execute and deliver to Franchisor a personal guarantee, in a form then satisfactory to Franchisor, jointly and severally guaranteeing Franchisee's performance of its obligations under the Renewal Franchise Agreement; (viii) Franchisee shall pay Franchisor a Renewal Fee when Franchisee issues the Renewal Notice to Franchisor; and (ix) Franchisee shall execute the Renewal Franchise Agreement and deliver it to Franchisor.

3.4 Renewal Procedures. Following the expiration of any waiting periods required by Applicable Law and no more than thirty (30) days after Franchisee receives a franchise disclosure document, if applicable, and the execution copies of the Renewal Franchise Agreement, Franchisee shall execute the copies of the Renewal Franchise Agreement and return them to Franchisor. If Franchisee has exercised a Renewal Right in accordance with Section 3.2 and satisfied all of the conditions in Section 3.3 and in this Section 3.4, Franchisor shall execute the Renewal Franchise Agreement. If Franchisee fails to perform any of the acts, or deliver any of the notices required under this Article 3 in a timely fashion, the failure to do so shall be deemed an election by Franchisee to not exercise the applicable Renewal Right and shall automatically cause the applicable Renewal Right to lapse and expire.

3.5 Notice Required by Law. If Applicable Law requires Franchisor to give notice to Franchisee prior to the expiration of the Initial Term or a Renewal Term, as the case may be, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the notice required by Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or franchise disclosure document, or is not lawfully able to offer Franchisee its Then-Current form of franchise agreement, at the time Franchisee delivers a Renewal Notice, Franchisor may, in its discretion, either: (i) offer to renew this Agreement upon the same terms set forth in this Agreement for a renewal term determined in accordance with Section 3.2; or (ii) offer to extend the Term on a week-to-week basis following the expiration of the Term for as long as it deems necessary or appropriate so that it may lawfully offer its Then-Current form of franchise agreement.

3.6 Month-to-Month Agreement. If Franchisee does not sign Franchisor's Then-Current Franchise Agreement prior to the Expiration Date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the Expiration Date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Month-to-Month Agreement") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

4. FEES AND PAYMENTS

4.1 Initial Franchise Fee. On the Effective Date, Franchisee shall pay Franchisor the Initial Franchise Fee in the manner provided in Section 4.7. The Initial Franchise Fee shall be non-refundable, in whole

or in part, once paid.

4.2 Royalty Fees. Franchisee shall pay Franchisor a monthly Royalty Fee in the manner provided in Section 4.7 without deduction, abatement or offset. The Royalty Fee shall be paid on the tenth day of each calendar month, or upon reasonable notice to Franchisee, before the tenth day, of each calendar month on the Gross Sales of the Franchised Restaurant during the preceding calendar month. Each payment shall be accompanied by a statement of Gross Sales for the preceding calendar month, certified as complete and accurate by the Principal Owner.

4.3 Marketing Fund Fees. On ninety (90) days' prior written notice to Franchisee, Franchisee shall pay a monthly Marketing Fund Fee to the Marketing Fund in the manner provided in Section 4.7 without deduction, abatement or offset. If required by Franchisor, the Marketing Fund Fee shall be paid on the tenth day of each calendar month on the Gross Sales of the Franchised Restaurant during the preceding calendar month. In addition, Franchisor may, from time to time, offer Franchisee the opportunity to purchase point of sale advertising material, posters, flyers, product displays, templates and other promotional materials for the Franchised Restaurant at Franchisor's direct costs for the same.

4.4 Software License Fees. Franchisee shall pay Franchisor Software License Fees in the manner provided in Section 4.7 without deduction, abatement or offset. The Software License Fees shall be paid on the tenth day of each month.

4.5 Other Payments. Franchisee shall promptly pay Franchisor and its Affiliates, as applicable, when due without deduction, abatement or offset: (i) all amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever; and (ii) all amounts due to Franchisor or its Affiliates for Potato Corner Branded Products and Potato Corner Proprietary Products sold to Franchisee.

4.6 Interest and Charges for Late Payments. If Franchisee fails to pay any amount due to Franchisor under this Agreement by the date payment is due, or if any electronic payment is unpaid because of insufficient funds or otherwise, Franchisee shall additionally be obligated to pay, as a late charge, the sum of \$50. Additionally, Franchisee shall pay interest on the amount outstanding at the rate of five percent (5%) per month (but not to exceed the maximum legal rate of interest) imposed from the date payment was due until the entire sum and late charge are paid in full. This Section 4.6 does not constitute an agreement by Franchisor to accept any payment after the date payment is due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee, and Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement notwithstanding this Section 4.6.

4.7 Manner of Payment. Franchisee shall make all payments due to Franchisor or its Affiliates from Franchisee's bank account by electronic funds transfer ("EFT") or other automatic payment mechanism that Franchisor may designate. Promptly upon Franchisor's request, Franchisee shall execute and deliver to Franchisor the EFT payment form attached to this Agreement as Exhibit D and all pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw the Royalty Fees and other sums payable under the terms of this Agreement. Franchisee shall maintain a single bank account for all EFT payments and shall maintain such minimum balance in this account in the amount that Franchisor may reasonably specify from time to time in order to ensure that all payments due to Franchisor and its Affiliates can be paid in full when drawn from the account. Franchisee shall not alter or close this account except with Franchisor's prior written approval. Any failure by Franchisee to implement an EFT system in strict accordance with Franchisor's instructions shall constitute a

material Default of this Agreement. All payments by Franchisee shall be made in US Dollars free and clear of any tax, deduction, offset or withholding of any kind. Franchisee shall register for and collect and report sales tax in compliance with all Applicable Laws. All taxes and penalties presently or in the future levied on the payments due to Franchisor under this Agreement shall be fully borne by Franchisee.

4.8 Application of Funds. If Franchisee shall be delinquent in the payment of any obligation to Franchisor under this Agreement, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application.

4.9 Security Interest. Franchisee hereby grants Franchisor and its Affiliates a security interest in and to all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and vehicles located at or used in connection with the Franchised Restaurant, now or hereafter acquired by Franchisee, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of the assets, all rights of Franchisee to use the Potato Corner Marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Franchisee under this Agreement for the use of the Potato Corner Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, from Franchisee to Franchisor. Franchisee hereby authorizes Franchisor and its Affiliates to prepare and file all Uniform Commercial Code (and comparable) financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the Uniform Commercial Code wherever applicable. If Franchisee is in Good Standing under this Agreement and all other agreements between Franchisee and Franchisor or its Affiliates, then Franchisor and its Affiliates shall, upon request of Franchisee, execute a written subordination of its security interest to lenders providing equipment or other financing for the Franchised Restaurant. If Franchisee is in Default of any of the terms and conditions of this Agreement, Franchisor and its Affiliates may, in their discretion, exercise their rights with respect to their security interests. In that event, Franchisee shall remain liable for any deficiency remaining due to Franchisor and its Affiliates and shall be entitled to recover any surplus which results after the application of the proceeds derived from the enforcement of the security interest.

~~4.10 Gross-Up Fees. To ensure that Franchisor receives the full amount of its Royalty Fees and Marketing Fund Fees to which Franchisor may be entitled, as their amount may vary from time to time, Franchisee shall pay Franchisor, upon demand, whether in arrears, in advance, in a lump sum or in the same manner as Royalty Fees and Marketing Fund Fees are paid to Franchisor, the amount of all taxes paid by Franchisor to any Governmental Authority on revenue earned or collected by Franchisor based upon Franchisee's use of Franchisor's intellectual property or other intangibles or based upon the existence of this Agreement, within the Governmental Authority's domain during each of Franchisor's fiscal years throughout the entire Term. Further, if state or local law in the state in which the Franchised Restaurant is located prohibits or restricts in any way Franchisee's ability to pay and Franchisor's ability to collect Royalty Fees or other amounts due to Franchisor based on revenue derived from the sale of alcoholic beverages at the Franchised Restaurant, Franchisor shall reset the amount of the Royalty Fees or other sums payable to Franchisor under this Agreement and redefine Gross Sales to exclude the payment of Royalty Fees on revenue derived from the sale of alcoholic beverages to an amount that will have the same basic economic result for both Franchisor and Franchisee.~~

5. FRANCHISED LOCATION, CONSTRUCTION AND OPENING FOR BUSINESS

5.1 Franchised Location. The Franchised Restaurant shall be located at the Franchised Location. If the address of the Franchised Location has not been inserted in the blank space on Exhibit A on the Effective Date, Franchisee shall, within ninety (90) days after the Effective Date, locate one or more proposed sites that meet Franchisor's Then-Current standards and specifications. Franchisor shall provide Franchisee with Franchisor's site criteria following the parties' execution of this Agreement. Franchisee shall submit to Franchisor all demographic and other information regarding a proposed site and its neighboring areas that Franchisor shall require. Franchisor shall accept or reject a proposed site for the Franchised Restaurant within thirty (30) days after Franchisee provides Franchisor all supplemental information that Franchisor requires to evaluate the site. Following Franchisor's approval of a site, Franchisee shall promptly negotiate a Lease for the site and shall submit a copy of the proposed Lease to Franchisor to allow Franchisor at least fifteen (15) days to confirm that the provisions set forth in Section 5.2 have been included in the proposed Lease and that the Landlord and Franchisee have executed an Option to Obtain Lease Assignment in the form specified by Franchisor. Franchisee shall not enter into any Lease for a site unless and until Franchisor has approved the site and the Lease in writing. Following Franchisee's execution of the Lease for the Franchised Location, the Parties shall complete and execute an addendum to Exhibit A to identify the Franchised Location. Franchisee shall obtain a fully executed Lease for the site no later than ninety (90) days after the Effective Date. Franchisor may voluntarily, and without obligation, assist Franchisee in selecting an acceptable site for the Franchised Location. Franchisee acknowledges its sole responsibility for finding the Franchised Location.

5.2 Lease for Franchised Location. Franchisee shall not create any obligations on Franchisor's behalf or grant the Landlord any rights against Franchisor, or agree to any term, condition or covenant in the Lease which are inconsistent with any provision of this Agreement. Franchisee shall deliver a fully executed copy of the Lease to Franchisor promptly following its execution, in the form and on the terms previously accepted by Franchisor, without further request by Franchisor. The Lease shall provide, unless Franchisor otherwise consents in writing prior to the execution of the Lease, that: (i) the Lease may not be amended, assigned or sublet without Franchisor's prior written consent; (ii) Franchisor shall have the right (but not the obligation) to succeed to Franchisee's rights under the Lease if Franchisee fails to exercise any option to renew, and or extend the term of the Lease; (iii) upon Franchisee's Default under the Lease, the Landlord shall notify Franchisor in writing at least fifteen (15) days prior to the termination or non-renewal of the Lease; (iv) Franchisor shall have an option to assume the Lease upon the termination or expiration of the Lease for any reason by giving written notice of the election to Franchisee and the Landlord; (v) Franchisee shall have the unrestricted right, without the Landlord's consent, to assign or sublet the Franchised Location to Franchisor, or any Potato Corner Franchisee or licensee approved by Franchisor; (vi) Franchisor shall have the right to enter the Franchised Location to remove all of the Potato Corner Marks from the Franchised Location and modify the décor of the Franchised Location so that it no longer resembles, in whole or in part, a Franchised Restaurant if Franchisee fails to do so; and (vii) upon any renewal of the Lease, Franchisor and Landlord will cooperate with each other and use reasonable best efforts to adjust the expiration dates of both the renewal Lease and this Agreement or Renewal Franchise Agreement, if applicable, so that the term of the renewal Lease will expire contemporaneously with the expiration of the Term of this Agreement or Renewal Franchise Agreement, if applicable. In addition to including these provisions in the Lease, Franchisor, Franchisee and the Landlord shall execute an Option to Obtain Lease Assignment in the form specified by Franchisor at the time the Lease is executed by Franchisee and the Landlord. If Franchisor elects to succeed to Franchisee's rights under the Lease, Franchisee shall assign to Franchisor all of its right, title and interest in and to the Lease and take all further action that Franchisor, in its sole and absolute discretion, may deem necessary or advisable to effect the assignment within ten (10) days after written demand by Franchisor to do so. [Franchisor may voluntarily \(without obligation\) assist Franchisee in locating an acceptable site for the Franchised Restaurant.](#)

Franchisor's acceptance of any proposed Lease is based solely on Franchisor's own interests. Franchisee acknowledges and agrees that although Franchisor may consult with Franchisee regarding the terms of a Lease and the negotiations with a Landlord, it is Franchisee's sole responsibility to negotiate, review and approve the Lease or purchase agreement for the Franchised Restaurant.

5.3 Construction. Franchisor shall make available, at no charge to Franchisee, Franchisor's specifications for the décor and layout of a prototype Franchised Restaurant and the required fixtures, equipment, furnishings, décor, trade dress and signs. Franchisee shall be responsible for the costs of preparing architectural, engineering and construction drawings and site and space layout and exterior signage plans for the Franchised Restaurant. Franchisee shall, at its own expense, adapt the specifications for the prototype Franchised Restaurant to conform to the characteristics of the Franchised Location and shall submit the final plans to Franchisor within forty-five (45) days after Franchisee obtains possession of the Franchised Location. Franchisor shall review and accept or reject the plans within fifteen (15) days after receiving them from Franchisee. Before commencing any renovation or construction, Franchisee shall employ a licensed architect and engineer approved by Franchisor to prepare preliminary and final architectural and engineering drawings and specifications for the Franchised Restaurant in accordance with Franchisor's standard architectural plans and specifications for a prototype Franchised Restaurant. Franchisee shall, at its own expense, obtain all zoning classifications, licenses, permits, and clearances for construction. Franchisee's failure to locate an acceptable site, enter a Lease and Open the Franchised Restaurant within the applicable time periods provided for in this Article 5 shall be deemed to be material Default under this Agreement. Franchisee shall notify Franchisor of the anticipated construction completion date and, within a reasonable time after construction is completed, Franchisor shall have the right, but not the obligation, to conduct a final inspection of the Franchised Restaurant.

5.4 Open for Business. The Franchised Restaurant shall Open for Business no later than the 270 days after the Effective Date, (i) unless Franchisor extends the date for the required Opening Date of the Franchised Restaurant in writing, or (ii) the Opening Date is otherwise set forth pursuant to an applicable Development Agreement with Franchisor. Franchisor shall not unreasonably withhold its consent to Franchisee's request for additional time to Open the Franchised Restaurant without cause. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Franchisee shall not Open the Franchised Restaurant or offer Potato Corner Authorized Products to the public without the express written authorization of Franchisor, which authorization may be conditioned upon Franchisee's strict compliance with the specifications of the approved final plans and Potato Corner System standards, the completion of the Initial Training Program by the Principal Owner and the General Manager and Franchisee's compliance with staffing and other requirements. Franchisee shall Open the Franchised Restaurant for business following receipt of a temporary or permanent certificate of occupancy and no more than ten (10) days after receipt of Franchisor's written authorization to Open. Following the Opening Date, the Parties shall complete and execute an addendum to Exhibit A to designate the Opening Date.

5.5 Relocation of Franchised Restaurant. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Franchisee may not relocate the Franchised Restaurant without Franchisor's prior written consent. Franchisee shall pay Franchisor a Relocation Fee when Franchisee requests Franchisor's consent to a relocation of the Franchised Restaurant. If Franchisor consents to a relocation, Franchisee shall de-identify the former Franchised Location in the manner described in Section 17.1 and shall reimburse and indemnify and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorney's fees, arising out of Franchisee's failure to do so. If Franchisor consents to a relocation of the Franchised Restaurant during the Term, Franchisee shall have twelve

(12) months from the date of Franchisor's approval of the new Franchised Location to secure the new Franchised Location and to Open and operate the Franchised Restaurant at the new Franchised Location. Once Franchisee has identified the new Franchised Location, Franchisor has approved it, and the Lease has been submitted to Franchisor to allow Franchisor at least fifteen (15) days to confirm that the provisions set forth in Section 5.2 have been included in the proposed Lease and/or that the Landlord and Franchisee have executed an Option to Obtain Lease Assignment in the form specified by Franchisor, Franchisor will prepare an addendum to Exhibit A to designate the Franchised Location and will provide the addendum to Franchisee. If Franchisee fails to secure the new Franchised Location within twelve (12) months of the date of Franchisor's approval of the new Franchised Location, Franchisor, in its discretion, may extend the time for Franchisee to do so; however, Franchisor shall then have the right to estimate and bill Franchisee for Royalty Fees for the time period following the expiration of the twelve (12) month period (a "Relocation Assessment") based upon the Royalty Fees received for the Franchised Restaurant during the identical periods of the last preceding calendar year plus an additional ten percent (10%) of such amount or, if the Franchised Restaurant was not in operation during the identical period of the last preceding year, a Relocation Assessment based upon the average Royalty Fees paid during the number of months the original Franchised Restaurant was in operation plus an additional ten percent (10%) of that amount.

6. OBLIGATIONS OF FRANCHISOR

6.1 Pre-Opening Initial Training Program. Prior to the Opening Date of the Franchised Restaurant, Franchisor shall provide an Initial Training Program in the Potato Corner System and methods of operation at company-owned Potato Corner Restaurants currently located in Southern California Franchisor selects and/or Franchisor's corporate office, for up to four (4) supervisory or managerial personnel of Franchisee selected by Franchisee who must include the Principal Owner and General Manager, at no charge to Franchisee. Franchisee shall pay Franchisor its Then-Current Pre-Opening Additional Initial Training Fee for each additional trainee. The Initial Training Program will consist of approximately two (2) weeks of training prior to the Opening Date of the Franchised Restaurant and must be completed before the Franchised Restaurant Opens for business. The Initial Training Program shall not be provided by Franchisor if: (i) Franchisee or any Affiliate of Franchisee owns or operates a Potato Corner Restaurant as of the Effective Date; or (ii) this Agreement is executed as a Renewal Franchise Agreement. Franchisor shall determine the contents and manner of conducting the Initial Training Program in its discretion, however, the Initial Training Program will be structured to provide practical training in the implementation and operation of a Potato Corner Restaurant and may include such topics as food and beverage preparation, portion control, cooking procedures, packaging procedures, Potato Corner System standards, marketing and customer service techniques, reports and equipment maintenance. Following the Opening Date of the Franchised Restaurant, Franchisor may, at Franchisee's request and at Franchisor's discretion, provide additional Initial Training Programs ("Post-Opening Initial Training Programs") for new or replacement supervisory or managerial personnel of Franchisee.

6.2 Post-Opening Additional Training Programs. Following the Opening Date of the Franchised Restaurant, Franchisor may, at Franchisor's discretion, from time to time during the Term: (i) require the Principal Owner and each General Manager and/or other supervisory or managerial personnel of Franchisee to attend; or (ii) make available to the Principal Owner and each General Manager and/or other supervisory or managerial personnel of Franchisee, additional and remedial training programs ("Post-Opening Additional Training Programs").

6.3 On-Site Opening Assistance. For Franchisee's first Franchised Restaurant, Franchisor will provide on-site training and assistance for up to three (3) days after Franchisee's Franchised Restaurant Opens

to the public. On-site opening assistance shall not be provided by Franchisor if: (i) Franchisee or any Affiliate of Franchisee owns or operates a Potato Corner Restaurant as of the Effective Date; or (ii) this Agreement is executed as a Renewal Franchise Agreement. Franchisor shall select the representatives who will provide the on-site training and the length of time that on-site training will be provided.

6.4 Manuals. Franchisor will ~~loan one copy or~~ provide Franchisee with access by hard copy or via the Internet, to one copy of its current Manuals during the Term which may include audio, video, compact disks, computer software, other electronic media and/or written materials. At Franchisor's option, Franchisor may post some or all of the Manuals on a restricted Website, intranet, or extranet to which Franchisee will have access. The Manuals may change from time to time during the Term. The Manuals are, and at all times shall remain Franchisor's sole property and shall promptly be returned to Franchisor upon expiration, termination or an Assignment of this Agreement. The Manuals contain both mandatory and recommended specifications, standards, procedures, rules and other information pertinent to the Potato Corner System and Franchisee's obligations under this Agreement. The Manuals, as modified by Franchisor from time to time, are an integral part of this Agreement and all provisions now or hereafter contained in the Manuals or otherwise communicated to Franchisee in writing are expressly incorporated into this Agreement by this reference and made a part of this Agreement. Franchisor reserves the right to modify the Manuals from time to time to reflect changes that it may implement in the mandatory and recommended specifications, standards and operating procedures of the Potato Corner System.

6.5 Post-Opening Consultation. Following the Opening Date of the Franchised Restaurant, Franchisor may provide regular consultation and advice to Franchisee in response to Franchisee's inquiries about specific administrative and operating issues that Franchisee brings to Franchisor's attention including, without limitation, mandatory and recommended specifications, standards and operating procedures of the Potato Corner System. Franchisor's consultation and advice may be provided by telephone, in writing, electronically, in person, or by other means. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate a Potato Corner Restaurant rest solely with Franchisee. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Restaurant for which Franchisor has not established Potato Corner Approved Suppliers.

6.6 Post-Opening Inspections. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, following the Opening Date of the Franchised Restaurant, Franchisor's authorized representatives shall have the right, but not the obligation, from time to time, to enter the Franchised Restaurant during business hours, to examine the Franchised Restaurant, to confer with Franchisee's supervisory and managerial personnel, inspect and check operations, food, beverages, furnishings, interior and exterior décor, supplies, fixtures and equipment, and determine whether the Franchised Restaurant is being operated in accordance with this Agreement, the Potato Corner System and the Manuals. Franchisor shall use reasonable efforts to avoid materially disrupting the operation of the Franchised Restaurant during an inspection.

6.7 Virtual Training, Assistance and Inspections. Franchisor may provide any or all portions of the Initial Training Program, Post-Opening Initial Training Programs, Post-Opening Additional Training Programs, pre and post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by Franchisor.

6.8 Assignment. Upon the occurrence of an Assignment, the Proposed Buyer must be trained by Franchisor as a condition to the granting of Franchisor's consent to the Assignment. All costs for this training shall be included in the Transfer Fee payable by Franchisee in accordance with Section 14.4.7.

6.9 Delegation of Performance. Franchisor, may, in Franchisor's sole discretion, delegate its responsibilities under this Agreement to any designee, employee or agent of Franchisor, as Franchisor may direct.

6.10 Toll Free Telephone Number. Franchisor has the right, but not the obligation, to establish and maintain a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If Franchisor establishes a toll free number, Franchisee shall comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Manuals or otherwise in writing.

[6.11 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.](#)

7. OBLIGATIONS OF FRANCHISEE

To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same:

7.1 Potato Corner System. Franchisee shall operate the Franchised Restaurant in compliance with the terms of this Agreement and the Manuals. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Potato Corner System with which Franchisee must comply under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Restaurant, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Restaurant consistent with the policies of Franchisor. Franchisee shall comply with Franchisor's standards and shall operate the Franchised Restaurant in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Franchisee shall comply, at Franchisee's expense, with all modifications prescribed by Franchisor and shall implement changes to the Potato Corner System within the time periods specified by Franchisor following Franchisee's receipt of notice from Franchisor to do so. Franchisee shall refrain from deviating from the methods, standards, and specifications without Franchisor's prior written consent and from otherwise operating in any manner which reflects adversely on the Potato Corner Marks or the Potato Corner System. Since every detail of the Potato Corner System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by Potato Corner Restaurants under the Potato Corner System and to protect the Potato Corner Marks and Franchisor's reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Potato Corner System suggested by Franchisee that is reasonably likely to have an adverse material effect on the Potato Corner System, the Potato Corner Marks or Franchisor's reputation or goodwill.

7.2 Pre-Opening Initial Training Program. Franchisee's supervisory and managerial personnel shall attend and complete to Franchisor's satisfaction the Initial Training Program. Franchisee shall not commence operation of the Franchised Restaurant until the Initial Training Program has been completed. Franchisee shall pay all travel, living, compensation, and other expenses, if any, incurred by Franchisor and by Franchisee for the Principal Owner, General Manager and other supervisory or managerial personnel, to attend the Initial Training Program. In addition, if the Franchised Restaurant is more than 100 miles from Franchisor's corporate office in Culver City, California, Franchisee shall pay Franchisor an On-Site Opening Assistance Fee of up to \$5,000. Franchisee acknowledges that because of Franchisor's superior skill and knowledge with respect to the training and skill required to manage a Potato Corner Restaurant, Franchisor, in its sole discretion, shall determine if Franchisee, the Principal Owner, the General Manager and/or other supervisory or managerial personnel have satisfactorily completed the Initial Training Program. If the Principal Owner: (i) fails to complete the Initial Training Program within five (5) months after the Effective Date; (ii) does not complete the Initial Training Program to Franchisor's satisfaction; (iii) does not, during the Initial Training Program, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Potato Corner System or this Agreement; or (iv) is not acceptable to become a franchisee of Franchisor for any reason whatsoever, then, in Franchisor's sole and absolute discretion, Franchisor may terminate this Agreement upon five (5) days' written notice to Franchisee and this Agreement shall thereafter be of no further force or effect. Franchisor shall have the right to retain the Initial Franchise Fee. The Parties acknowledge and agree that the actual damages to be suffered by Franchisor in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Franchisor's potential damages and retention of the Initial Franchise Fee by Franchisor, are a reasonable, good-faith estimate of those damages.

7.3 Post-Opening Initial Training Program. If, following the Opening Date of the Franchised Restaurant, Franchisee requests Franchisor to provide Post-Opening Initial Training Programs for new or replacement supervisory or managerial personnel and Franchisor agrees to do so, Franchisee shall pay Franchisor its Then-Current Post-Opening Initial Training Fee for each trainee that receives the Post-Opening Initial Training Programs to defray Franchisor's direct costs to provide the additional Post-Opening Initial Training Programs. Franchisee shall pay all transportation costs, food, lodging and similar costs incurred in connection with attendance at the Post-Opening Initial Training Programs.

7.4 Post-Opening Additional Training Programs. Following the Opening Date of the Franchised Restaurant, Franchisee, the Principal Owner and each General Manager shall attend Post-Opening Additional Training Programs as required by Franchisor. Franchisee shall pay Franchisor its Then-Current Post-Opening Additional Training Program Daily Fee for each of Franchisor's representatives who provides Post-Opening Additional Training Programs to defray Franchisor's direct costs to provide the Post-Opening Additional Training Programs. In addition, Franchisee shall pay all transportation costs, food, lodging and similar costs incurred in connection with attendance at the Post-Opening Additional Training Programs.

7.5 Manuals. Franchisee shall treat all information contained in the Manuals as Potato Corner Confidential Information and shall use all reasonable efforts to keep the information confidential. Franchisee shall not, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make them available to any Person not required to have access to their contents in order to carry out their employment functions. If Franchisee misplaces the Manuals or fails to return the manuals to Franchisor upon demand, Franchisee shall pay Franchisor the sum of \$200 as a manual replacement fee. Franchisee shall comply with all mandatory requirements now or hereafter included in the Manuals, and acknowledges and agrees that a Default under any mandatory requirement of the Manuals shall constitute a Default under this Agreement and grounds for termination. Franchisee shall immediately conform

its operations to all revisions in mandatory specifications, standards, operating procedures and rules prescribed by Franchisor.

7.6 Post-Opening Inspections. Following the Opening Date of the Franchised Restaurant, if any inspection of the Franchised Restaurant by Franchisor indicates any deficiency or unsatisfactory condition at the Franchised Restaurant, Franchisor will notify Franchisee in writing of the deficiencies and Franchisee shall promptly correct, remedy or repair such deficiency or unsatisfactory condition. In addition, if any inspection indicates any deficiency or unsatisfactory condition which requires a re-inspection of the Franchised Restaurant within a period of thirty (30) days, Franchisee shall pay Franchisor, upon demand, the sum of \$500 for each re-inspection of the Franchised Restaurant and shall, in addition, reimburse Franchisor for its out of pocket expenses for the re-inspection, including for transportation costs, food, lodging and similar costs.

7.7 Virtual Training, Assistance and Inspections. Franchisee acknowledges and agrees that Franchisor may provide any or all portions of the Initial Training Program, Pre-Opening Additional Initial Training Program, Post-Opening Initial Training Programs, Post-Opening Additional Training Programs, post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by Franchisor.

7.8 POS System; Computer Hardware and Software. Franchisee shall purchase, use and maintain a computerized point of sale cash collection system and inventory control system (the "POS System"), a back office computer and printer, including all related hardware and software, cameras and a DVR, each as specified in the Manuals or otherwise by Franchisor in writing for the Franchised Restaurant. The POS System shall at all times be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, and accessing the Internet for ordering and maintaining the POS System. The POS System shall be electronically linked to Franchisor, and Franchisee shall allow Franchisor to poll the POS System on a daily or other basis at the times and in the manner established by Franchisor, with or without notice, and to retrieve transaction information including sales, menu mix, usage, and other operations data that Franchisor deems appropriate. Franchisor may require Franchisee to update, upgrade or replace the POS System, including hardware and/or software, from time to time, upon written notice, provided that Franchisee shall not be required to replace the POS System any more frequently than once every three (3) years. The POS System must include the required technology to permit Franchisee to accept online orders of Potato Corner Products and services at the Franchised Restaurant and to accept and process Potato Corner gift cards sold in other Potato Corner Restaurants. In addition, Franchisee shall purchase, lease or license all computer hardware and software designated by Franchisor for the Franchised Restaurant at Franchisee's expense. During the Term, Franchisee shall maintain and update all computer hardware and software as required by Franchisor.

7.9 Product Line and Service. Franchisee shall advertise, sell and serve all and only Potato Corner Authorized Products at or from the Franchised Restaurant. All Potato Corner Authorized Products shall be sold and distributed under the names designated by Franchisor and shall be prepared and served strictly in accordance with Franchisor's methods, standards, and specifications. Franchisee shall not remove any Potato Corner Authorized Product from Franchisee's menu without Franchisor's written consent. Franchisee shall not sell any Potato Corner Authorized Products outside of the Franchised Restaurant or to any customer for the purpose of resale by the customer, and all sales by Franchisee shall be for retail consumption only.

7.10 Prices. Subject to Applicable Law, following the Opening Date of the Franchised Restaurant, Franchisor shall have the right to establish pricing guidelines for Potato Corner Authorized Products and,

subject to Applicable Law, Franchisee shall comply with, and be bound by, prices which may be recommended, suggested or advertised by Franchisor. Subject to Applicable Law, Franchisee shall honor the terms of all promotional or discount programs that Franchisor may offer to the public for Potato Corner Restaurants and shall comply with all pricing policies that Franchisor may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies. Franchisee shall also provide products and services designated by Franchisor on terms Franchisor specifies, including free-of-charge. ~~Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the Franchised Restaurant except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion.~~

7.11 Oversight and Management. The Principal Owner shall be responsible for oversight of the day-to-day operations of the Franchised Restaurant and shall devote his full time and best efforts solely to the operation of the Franchised Restaurant only in a management capacity and not as a staff member behind the service counter and to no other business activities. Following the Opening Date of the Franchised Restaurant, Franchisee shall provide comprehensive initial training programs, additional training programs and remedial training programs for its supervisory and managerial personnel and other employees and shall ensure that the Franchised Restaurant is at all times under the direct control of a General Manager fully trained by Franchisee and solely dedicated to operation of the Franchised Restaurant and other employees who have been fully trained by Franchisee and solely dedicated to operation of the Franchised Restaurant. The Franchised Restaurant shall be under the direct control of a General Manager in the absence of the Principal Owner. Each General Manager shall have a skill level, training and experience commensurate with the demands of the position and conform in all respects with Franchisor's high standards for quality products, courteous service, and cleanliness of operations. Prior to the Opening Date, Franchisee, its Principal Owner and each General Manager shall successfully complete the ServSafe® Food Safety Certification Program, or show evidence of prior ServSafe® certification. Franchisor may, in its sole discretion, replace the ServSafe® Food Safety Certification Program with another food safety certification program, if deemed appropriate. Franchisee shall be responsible for all fees and material costs associated with any certification program. In addition, Franchisor may, in its sole discretion, contract with a third party to conduct sanitation and food safety audits of the Franchised Restaurant periodically throughout the Term, but no less than once per calendar year.

7.12 Menus. The approved and authorized menu and menu formats may include, in Franchisor's discretion, requirements on organization, graphics, product descriptions, illustrations and any other matters related to the menu, whether or not similar to those listed. In Franchisor's discretion, the menu and/or menu formats may vary depending upon region, market size and other factors which affect the Franchised Restaurant. Franchisor may change the menu and/or menu formats from time to time and authorize tests from region to region or within regions. Franchisee shall, upon receipt of notice from Franchisor, add, delete or update any Potato Corner Authorized Products to its menu according to the instructions contained in the notice. Franchisee shall have a minimum of thirty (30) days and not more than sixty (60) days after receipt of written notice in which to fully implement any menu change. Franchisee shall cease selling previously approved Potato Corner Authorized Products within thirty (30) days after receipt of notice that the product is no longer approved. All menus, containers, napkins, bags, cups and other packaging and like articles used at the Franchised Restaurant shall conform to Franchisor's specifications, shall be imprinted with the Potato Corner Marks, if and as specified by Franchisor, and shall be purchased by Franchisee from a Potato Corner Approved Supplier.

7.13 Compliance with Applicable Law. Franchisee shall operate the Franchised Restaurant as a clean, orderly, legal and respectable place of business in accordance with Franchisor's business standards and merchandising policies and shall comply with all Applicable Laws. Franchisee shall not cause or allow any part of the Franchised Restaurant or the Franchised Location to be used for any immoral or illegal purpose. Franchisee shall in all dealings with its customers, suppliers, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which will cause Franchisor to be in violation of any Applicable Law. If Franchisee shall receive any notice, report, fine, test results or the like from any applicable department of health (or other similar Governmental Authority), Franchisee shall promptly send a copy of the same to Franchisor.

7.14 Hours. Subject to Applicable Law, the Franchised Restaurant shall be open and operational at least twelve (12) hours per day, seven (7) days per week or as otherwise prescribed by Franchisor. Franchisee shall continually operate the Franchised Restaurant throughout the Term. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Sales possible from its Franchised Location, and shall remain open for longer hours if additional opening hours are reasonably required to maximize operations and sales.

7.15 Signs. Franchisee shall maintain approved signs and/or awnings at, on, or near the front of the Franchised Restaurant, identifying the Franchised Location as a Franchised Restaurant, which shall conform in all respects to Franchisor's specifications and requirements and the layout and design plan approved for the Franchised Location, subject only to restrictions imposed by Applicable Law.

7.16 Franchisee Employee Policies. Franchisee shall maintain a competent, conscientious, and trained staff and shall take all steps necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet the minimum standards that Franchisor may establish from time to time in the Manuals or otherwise. All employees hired by or working for Franchisee shall be the employees of Franchisee, and Franchisee alone, and shall not, for any purpose, be deemed to be the employees of Franchisor or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any Governmental Authority. Franchisee and Franchisor will each file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments with respect to their respective employees and operations. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify Franchisee's supervisory or managerial personnel for qualification to perform certain functions at the Franchised Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's personnel. Franchisee alone shall be solely responsible for all hiring and employment decisions and functions relating to the Franchised Restaurant, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee acknowledges and agrees that any guidance Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own employment policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel experienced in employment law. Franchisee shall immediately defend, reimburse and hold Franchisor harmless from any direct or indirect losses, costs and expenses, including attorney's fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding

employment decisions and employee functions at the Franchised Restaurant, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall take all action necessary to ensure that Franchisee's employees understand and acknowledge that they are not employees of Franchisor, including, without limitation, requiring Franchisee's employees to sign a written acknowledgement that Franchisee is an independently owned and operated franchisee and their sole employer in a form specified by Franchisor in the Manuals or otherwise in writing from time to time. Franchisee shall cause all employees, while working in the Franchised Restaurant, to wear uniforms of the color, design and other specifications that Franchisor may designate from time to time and to present a neat and clean appearance. If Franchisor removes a type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have thirty (30) days from receipt of written notice of removal to discontinue use of its existing inventory of uniforms and obtain and use the approved type of uniform.

~~7.16~~

7.17 Vending or Other Machines. Except with Franchisor's written approval, Franchisee shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Franchised Restaurant.

7.18 Co-Branding. Franchisee may not engage in any co-branding in or in connection with the Franchised Restaurant except with Franchisor's prior written consent. Franchisor may approve any co-branding chain or arrangement in its discretion, and only if Franchisor has recognized that co-branding chain as an approved co-brand for operation within Potato Corner Restaurants.

7.19 Customer Complaints and Cooperation. Franchisee shall respond promptly to each customer inquiry or complaint and resolve all reasonable complaints to the customer's satisfaction. At Franchisor's request, Franchisee shall use and display in the Franchised Restaurant during all operating hours customer comment cards in the manner specified in the Manuals. Franchisee shall, from time to time, purchase from Franchisor or a Potato Corner Approved Supplier, and maintain in the Franchised Restaurant, a supply of postage prepaid customer comment cards reasonably adequate to meet Franchisee's needs. Franchisee shall at all times cooperate with Franchisor and other Potato Corner Franchisees and shall actively participate in any and all sales, public relations, marketing, cooperative marketing and purchasing programs or promotional programs which may be developed and implemented by Franchisor which call for the cooperation of Franchisee and other Potato Corner Franchisees. Franchisee shall further cooperate in any additional programs which may be established and designated by Franchisor from time to time including participating in coupon programs, the system-wide use of gift cards, and other similar programs for the benefit of the Potato Corner System, and shall comply with Franchisor's rules and regulations established from time to time in connection therewith. Franchisee shall cooperate with Franchisor in connection with the test marketing of products and services at the Franchised Restaurant and shall comply with Franchisor's rules and regulations established from time to time in connection therewith.

7.20 Adequate Reserves and Working Capital. Franchisee shall, at all times, maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the Franchised Restaurant for at least three (3) months.

7.21 Re-Imaging of Franchised Restaurant. Franchisee shall at its own expense, make the alterations, additions, or modifications to the Franchised Restaurant that Franchisor may reasonably require to accommodate changes made by Franchisor to the Potato Corner System, including, without limitation, changes to menu items or market positioning. Franchisee shall have ninety (90) days from receipt of notice

from Franchisor regarding re-imaging requirements in which to make the required alterations, additions, or modifications to the Franchised Restaurant.

7.22 Intranet. If Franchisor establishes a Potato Corner Franchisee Intranet, Franchisee shall have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time in the Manuals and otherwise. Franchisee acknowledges that, as administrator of the Intranet, Franchisor may access and view any communication posted on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. Upon receipt of notice from Franchisor that Franchisor has established an Intranet, Franchisee shall establish and continually maintain an electronic connection with the Intranet as specified in the Manuals that allows Franchisor to send messages to and receive messages from Franchisee. If Franchisee shall Default under this Agreement or any other agreement with Franchisor, Franchisor may, in addition to, and without limiting any other rights and remedies available to Franchisor, disable or terminate Franchisee's access to the Intranet without Franchisor having any liability to Franchisee.

7.23 Improvements. If Franchisee develops any new concept, process or improvement in the Potato Corner System (an "Improvement"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any Improvement shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Improvements, including the right to modify the Improvement, and Franchisee waives and/or releases all rights of restraint and moral rights therein and thereto. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing those rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any the documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any Improvement. If the foregoing provisions of this Section 7.23 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense to use of the Improvement to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

7.24 Refurbishment of Franchised Restaurant. At Franchisor's request, but not more often than once every five (5) years unless sooner required by the Lease, Franchisee shall refurbish the Franchised Restaurant, at its own expense, to conform to the building design, trade dress, color schemes, and presentation of the Potato Corner Marks in a manner consistent with the Then-Current public image for new or remodeled Potato Corner Restaurants, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by Applicable Law. Franchisee's costs for the required refurbishment shall not exceed \$100,000 for the interior of the Franchised Restaurant or \$50,000 for the exterior of the Franchised Restaurant.

7.25 Notifications and Crisis Management Events. Franchisee shall notify Franchisor in writing within (i) twenty-four (24) hours, and confirm in writing within two (2) days thereafter, of any investigation or violation, actual or alleged, of any health, liquor or narcotics laws or regulation related to the Franchised Restaurant, and (ii) five (5) days of the commencement of any investigation, action, suit, or proceeding or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other Governmental

Authority which may adversely affect the operation or financial condition of the Franchised Restaurant. Franchisee shall immediately inform Franchisor's Chief Executive Officer (or as otherwise instructed in the Manuals) by telephone of the occurrence of a Crisis Management Event. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to a Crisis Management Event.

7.26 Authorization to Release Information and Use Images. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect the authorization) (i) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Franchised Restaurant which Franchisor may request; (ii) Franchisor to disclose to prospective Potato Corner Franchisees or other third parties data from Franchisee's reports if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable; (iii) Franchisor to photograph and film Franchisee, its employees, the public and all areas of the Franchised Restaurant, without further authorization from, or compensation to, Franchisee and to use their images for marketing and promotion of the Franchised Restaurant, other Franchised Restaurants and franchises for Potato Corner restaurants; and (iv) Franchisor to disclose to third parties, including but not limited to Franchisee's Landlord or bank, information about Franchisee relating to Franchisee's obligations or performance under this Agreement if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable.

7.27 Annual Franchise Conference. Franchisor may hold an Annual Franchise Conference for all Potato Corner Franchisees each year. The Principal Owner and each General Manager shall attend the Annual Franchise Conference. Franchisee shall pay Franchisor a "Franchisee Conference Fee" to reimburse Franchisor for a portion of the direct costs to provide the Annual Franchise Conference. Franchisee shall pay the Franchisee Conference Fee upon demand at least thirty (30) days before the date of the Annual Franchise Conference, whether or not Franchisee attends the Annual Franchise Conference.

7.28 Credit Cards. Franchisee shall honor all credit, charge, courtesy and cash cards approved by Franchisor in writing. To the extent Franchisee shall store, process, transmit or otherwise access or possess cardholder data in connection with the sale of Potato Corner Authorized Products, Franchisee shall maintain the security of cardholder data and adhere to the Then-Current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the Term. Franchisee shall be and remain responsible for the security of cardholder data in the possession or control of any subcontractors Franchisee engages to process credit cards. All subcontractors must be identified to and approved by Franchisor in writing prior to sharing cardholder data with the subcontractor. Franchisee shall, if requested to do so by Franchisor, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

7.29 Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs. Franchisee shall not create or issue any gift certificates or gift cards and shall only sell gift certificates or gift cards that have been issued by Franchisor that are accepted at all Potato Corner Restaurants. Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the Franchised Restaurant except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion. In addition, Franchisee shall

purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics, and online and mobile ordering software or programs as specified by Franchisor in its Manual or otherwise in writing. Franchisor reserves the right to change the designated suppliers of these or similar services in Franchisor's sole discretion. Franchisee shall change, purchase or subscribe to the additional programs or software, as applicable, immediately upon notice from Franchisor to do so.

7.30 Data Security Safeguards. Franchisee shall exert Franchisee's best efforts to protect its customers against a cyber-event, including, without limitation, a data breach or other identity theft or theft of personal information (collectively, a "Cyber Event"). If a Cyber Event occurs, regardless of whether the Cyber Event affects only the Potato Corner Restaurant, Franchisor reserves the right, but shall not have any obligation, to perform and/or control and/or cause its third-party consultants to perform and/or control all aspects of the response to the Cyber Event including, without limitation, the investigation, containment and resolution of the Cyber Event and all communications within the Potato Corner franchise system and with vendors and suppliers, Governmental Authorities and the general public. Franchisor's control of the response to a Cyber Event may potentially affect or interrupt operations of the Potato Corner Restaurant, but shall not create any liability for Franchisor or additional rights for Franchisee, entitle Franchisee to damages or relieve Franchisee of Franchisee's indemnification obligations under Section 18.4. Franchisee shall reimburse Franchisor for all of Franchisor's out-of-pocket costs and expenses incurred in responding to and remedying any Cyber Event caused solely by Franchisee or the Potato Corner Restaurant. Franchisee shall at all times be compliant with (i) the NACHA ACH Security Framework; (ii) the Payment Rules; (iii) Applicable Law regarding data privacy, data security and security breaches; and (iv) Franchisor's security policies and guidelines, all as may be adopted and/or amended from time to time (collectively, "Data Security Safeguards"). Franchisee shall obtain advice from Franchisee's own legal and security consultants to ensure that Franchisee operates the Potato Corner Restaurant at all times in full compliance with the Data Security Safeguards. Notwithstanding Franchisor's right to perform and/or control all aspects of a response to a Cyber Event, Franchisor shall make commercially reasonable efforts to coordinate its response with Franchisee and Franchisee's insurance carrier(s) and to cooperate with Franchisee's insurance carrier(s) regarding insurance coverage of the Cyber Event to the extent reasonably practicable under the circumstances.

7.31 Payment of Debts and Taxes. Franchisee shall be solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the Potato Corner Restaurant and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the opening and operation of the Potato Corner Restaurant. Franchisee shall pay all obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any debts owed by Franchisee if Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between suppliers and Potato Corner Franchisees. Franchisee shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes arising from Franchisee's operation of the Potato Corner Restaurant. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any of these taxes.

7.32 Food Delivery Services. Franchisee shall follow Franchisor's delivery policies and procedures in the Manuals, which may require Franchisee to provide delivery services and/or utilize third party Food Delivery Services and restrict the areas in which Franchisee may offer delivery services as set forth in Section 2.2, and which Franchisor may change from time to time during the Term. Franchisee acknowledges that Franchisor's delivery policies and procedures may allow other Potato Corner Restaurants to provide delivery services in Franchisee's Protected Area and may allow Franchisee to provide delivery services outside of

Franchisee's Protected Area. Franchisor may require Franchisee to discontinue delivery services. Franchisee shall use the Food Delivery Service(s) with which we may have a national contract, and, in that case, Franchisee may not contract with any other delivery platform without our written approval.

7.33 Privacy. Franchisee shall comply with all Applicable Laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). Franchisee shall also comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual Applicable Law, Franchisee shall (i) comply with the requirements of Applicable Law; (ii) immediately give Franchisor written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor and Franchisor's counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of Applicable Law. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent to such policy.

8. SUPPLIERS AND PRODUCTS

To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same:

8.1 Potato Corner Approved Suppliers. Franchisor shall designate its Potato Corner Approved Suppliers for Franchisee following the Effective Date. All Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products designated by Franchisor for use and sale at the Franchised Restaurant must be purchased from Potato Corner Approved Suppliers. Franchisor and its Affiliates may be, but are not obligated to become, Potato Corner Approved Suppliers of certain Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products and may act as the sole Potato Corner Approved Suppliers of certain Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products. Franchisor may operate an online portal that Franchisee can use to buy Potato Corner Branded Products, Potato Corner Proprietary Products, marketing materials, handbooks and menus directly from Potato Corner Approved Suppliers.

8.2 Recommended Suppliers. If Franchisee desires to purchase authorized Non-Proprietary Products from a Recommended Supplier rather than from Franchisor, its Affiliates or a Potato Corner Approved Supplier, Franchisee shall deliver written notice to Franchisor identifying the Recommended Supplier and shall provide Franchisor with reasonable financial, operational and other information regarding the Recommended Supplier necessary for Franchisor to assess the Recommended Supplier. Franchisor shall notify Franchisee of Franchisor's decision within sixty (60) days after Franchisor's receipt of the necessary information from Franchisee. If Franchisor does not approve or disapprove a Recommended Supplier within sixty (60) days, the Recommended Supplier shall be deemed disapproved. As a condition of its approval, Franchisor may require a Recommended Supplier to agree in writing to (i) provide, from time to time, upon Franchisor's request, free samples of the Non-Proprietary Product the Recommended Supplier intends to supply to Franchisee; (ii) faithfully comply with Franchisor's specifications for the Non-Proprietary Products to be sold by the Recommended Supplier; (iii) sell any Non-Proprietary Products bearing the Potato Corner Marks only to Potato Corner Franchisees and only under a trademark license agreement with Franchisor; (iv) provide Franchisor, upon request, with duplicate purchase invoices issued to Franchisee for Franchisor's records and inspection purposes; and (v) otherwise comply with Franchisor's reasonable requests. Further, Franchisor may require Franchisee or the Recommended Supplier to reimburse Franchisor for all of

Franchisor's actual costs in reviewing the application of the Recommended Supplier and all current and future reasonable costs and expenses, including transportation costs, food, lodging and similar costs incurred, related to inspecting, re-inspecting and auditing the Recommended Suppliers' facilities, equipment, and food products, and all product testing costs paid by Franchisor to third parties and to pay Franchisor, in advance, a deposit of up to \$1,000, before Franchisor inspects the Recommended Supplier's facilities. Franchisor may revoke its approval of a previously approved Recommended Supplier if the Recommended Supplier does not continue to satisfy Franchisor's criteria.

8.3 Purchases from Franchisor or its Affiliates. All Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products purchased from Franchisor or its Affiliates shall be purchased in accordance with the purchase order format issued from time to time by Franchisor or its Affiliates and at the prices and on delivery terms and other terms offered to similarly situated Potato Corner Franchisees. Franchisor, or its Affiliates, in its sole and absolute discretion, may establish the credit terms, if any, upon which it will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis. On the termination or expiration of this Agreement, or in the event of any Default by Franchisee under this Agreement, Franchisor or its Affiliates shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by Franchisee and may, among other things, only deliver the quantities reasonably necessary to supply Franchisee's needs prior to the termination or expiration of this Agreement. Franchisor or its Affiliates shall not be liable to Franchisee for any delay or delivery failure caused by Force Majeure. Franchisor or its Affiliate shall not be liable to Franchisee for unavailability of, or delay in shipment or receipt of, merchandise because of temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strikes, work stoppages, or other causes beyond the reasonable control of Franchisor or its Affiliate. If any goods or products sold by Franchisor or its Affiliate are not in sufficient supply to fully fulfill all orders, Franchisor or its Affiliate may allocate the available supply among itself, its Affiliates and others, including Franchisee and other franchisees, in any way Franchisor or its Affiliate deems appropriate, which may result in Franchisee not receiving any allocation of certain goods or products as a result of a shortage.

8.4 Rebates. Franchisor or its Affiliates may receive rebates or allowances from certain Potato Corner Approved Suppliers on purchases of Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products made by Franchisee and other Potato Corner Franchisees. Rebates and allowances will generally be a percentage of the revenue derived by the Potato Corner Approved Supplier from sales to Potato Corner Restaurants, will be included in Franchisor's general revenue, and may be used by Franchisor for a variety of purposes including ongoing programs, education, marketing, advertising, seminars and conferences, the handling of inquiries and complaints from Potato Corner Franchisees' customers and for general and administrative expenses. Franchisor may use these rebate and allowance funds received for any purpose in its sole and absolute discretion.

9. POTATO CORNER MARKS

Franchisor and its Affiliates continue to develop, use and control the use of the Potato Corner Marks in order to identify for the public the source of services and products marketed under the Potato Corner Marks and the Potato Corner System, and to represent the Potato Corner System's high standards of quality, appearance and service. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same;

9.14 Ownership and Goodwill of Potato Corner Marks. Franchisee acknowledges that its right to use the Potato Corner Marks is derived solely from this Agreement and is limited to use in operating as

Franchisee pursuant to and in compliance with this Agreement. Any unauthorized use of the Potato Corner Marks by Franchisee shall constitute a Default under this Agreement and an infringement of Franchisor's and Franchisor's Affiliate's rights in and to the Potato Corner Marks. Franchisee acknowledges and agrees that as between Franchisor and Franchisee (i) Franchisor owns the Potato Corner Marks and the Potato Corner System; (ii) Franchisee owns no goodwill or rights in the Potato Corner Marks or the Potato Corner System except for the license granted by this Agreement; and (iii) Franchisee's use of the Potato Corner Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Franchisee agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Potato Corner Marks or the Potato Corner System either during the Term or after this Agreement terminates or expires.

9.22 Limitations on Use. If Franchisee is an Entity, Franchisee shall not use the Potato Corner Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Potato Corner Marks, as all or part of Franchisee's name. In addition, Franchisee shall not use any Potato Corner Marks (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; ~~(iv) in the name of Franchisee's Entity;~~ or (iv) in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give all notices of trademark and service mark registration that Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Franchisee further agrees that no service mark other than "Potato Corner", other Potato Corner Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Restaurant.

9.33 Modifications. Franchisor reserves the right to (i) modify or discontinue licensing any of the Potato Corner Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Potato Corner Marks and require that Franchisee use them; and (iii) require that Franchisee introduce or observe new practices as part of the Potato Corner System in operating the Franchised Restaurant. Franchisee acknowledges and agrees that the term "Potato Corner Marks" means the specific names, marks, designs, logos or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor's right to impose changes. Franchisee shall comply, at Franchisee's sole expense, with Franchisor's directions regarding changes in the Potato Corner Marks and Potato Corner System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Franchisor's directions and conforming to required changes.

9.44 Defense of Potato Corner Marks and Potato Corner System. Franchisor shall have the sole right, either alone or with its Affiliates, to handle disputes with Franchisees and third parties concerning Franchisor's or Franchisor's Affiliates' ownership of, rights in, or Franchisee's use of, the Potato Corner Marks or the Potato Corner System. Franchisee shall immediately notify Franchisor in writing if Franchisee receives notice, or is informed, of any (i) improper use of any of the Potato Corner Marks or elements of the Potato Corner System, including misuse by Franchisees; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Potato Corner Marks; (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the Potato Corner System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee's use of the Potato Corner Marks or the Potato Corner System. Franchisor and/or Franchisor's Affiliates shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Potato Corner

Marks or the Potato Corner System. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Potato Corner Marks and the Potato Corner System. Franchisee shall cooperate fully with Franchisor and execute all documents and perform all actions as may, in Franchisor's judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor's rights in the Potato Corner Marks and the Potato Corner System. Unless it is established that a third party claim asserted against Franchisee is based directly upon Franchisee's misuse of the Potato Corner Marks or the Potato Corner System, Franchisor agrees to defend Franchisee against the third party claim and indemnify Franchisee for any losses resulting therefore, provided Franchisee has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter.

10. MARKETING

To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same:

10.1 Marketing Fund. Franchisor has established the Marketing Fund to promote the Potato Corner Marks and all Potato Corner Restaurants. On ninety (90) days' prior written notice to Franchisee, Franchisee shall pay the Marketing Fund Fees to the Marketing Fund each month during the Term. The Marketing Fund shall be administered by Franchisor and shall be used to meet the costs of conducting marketing and promotional activities. Franchisor retains sole discretion over all marketing and public relations programs and activities financed by the Marketing Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. Company-owned and Affiliate owned Potato Corner Restaurants may, but are not required to, contribute to the Marketing Fund. If they do, they may not be required to contribute in the same percentage as Franchisee and may stop contributing at any time without notice to Franchisee.

10.1.1 The Marketing Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor determines, including video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, Website design and development/operation for portal, Internet, Intranet and URL services, social media, technology programs, electronic application design and development, and for 800 or similar numbers. All expenditures are at the sole discretion of Franchisor. Franchisor may spend in any year more or less than the total contributions to the Marketing Fund in that year. Franchisor may borrow from Franchisor or other lenders on behalf of the Marketing Fund to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. Upon request, Franchisor will prepare an annual accounting of the Marketing Fund and will distribute it to Franchisees, once a year, that will state the total amount of money collected and spent by the Marketing Fund during the previous year and list, by general category, the manner in which Franchisor spent the money. The report will not be separately audited but will be examined as part of the overall annual audit of Franchisor's books.'

10.1.2 Franchisee acknowledges that the Marketing Fund is intended to maximize general public recognition of and the acceptance of the Potato Corner brand for the benefit of the Potato Corner System as a whole. Franchisor undertakes no obligation, in administering the Marketing Fund, to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular Franchisee benefits directly or pro rata from marketing or promotion conducted with the Marketing Fund.

10.1.3 Franchisor will maintain the Marketing Fund in an account separate from Franchisor's other monies, and will not use it to defray any of Franchisor's expenses, except for reasonable administrative and marketing wages and costs and overhead which Franchisor may incur in activities related to administering the Marketing Fund and marketing programs for Potato Corner Franchisees. Franchisor's printed materials and Website may also contain references stating that "Franchises Are Available" and/or that "Each Potato Corner Franchise Is Independently Owned and Operated" to promote the sale of franchises for Potato Corner Restaurants. With this exception, no portion of the Marketing Fund will be used to solicit or to sell Potato Corner franchises to prospective Potato Corner Franchisees. The Marketing Fund is not and will not be an asset of Franchisor. Any Marketing Fund Fees collected in a year, but not spent in that year, will be carried over to the next year. Franchisor shall have the right, in its sole discretion, to terminate the collection and disbursement of Marketing Fund Fees upon ninety (90) days' prior written notice to Franchisee. Upon termination, Franchisor shall disburse the remaining Marketing Fund Fees on hand only for the purposes authorized by this Article 10.

10.2 Local Store Marketing Expenditures. Franchisee shall spend the Local Store Marketing Expenditure each month on local marketing and promotion of the Franchised Restaurant as required by Franchisor. Franchisor shall have the right to adjust the amount of the Local Store Marketing Expenditure at any time and from time to time during the Term upon ninety (90) days' prior written notice from Franchisor to Franchisee, to an amount not to exceed two percent (2%) of Gross Sales. Franchisee shall conduct all local marketing and promotion in accordance with the policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Manuals, or as otherwise directed by Franchisor, and shall not use or publish any marketing material or in any way use or display any of the Potato Corner Marks except in accordance with said policies and provisions and with Franchisor's prior written approval. Franchisee shall submit samples of all marketing and promotional plans and materials to Franchisor for Franchisor's approval and may only commence use of the materials after they have been approved, in writing, by Franchisor. Franchisor shall have the right at any time after Franchisee commences use of any materials to prohibit further use, effective upon written notice to Franchisee. On the tenth (10th) day of each calendar month during the Term, Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment that have been issued by Franchisee during the preceding calendar month which evidence the expenditure and payment by Franchisee of the required Local Store Marketing Expenditure. If Franchisee fails to do so, or fails to spend the required Local Store Marketing Expenditure during any calendar month, Franchisee shall immediately pay the Marketing Fund the difference between the amount that Franchisee actually spent on local marketing and the required Local Store Marketing Expenditure.

10.3 Cooperative Marketing Programs. Franchisor may from time to time establish programs for co-operative marketing ("Cooperative Marketing Programs") to coordinate marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional advertising media. If and when Franchisor creates a Cooperative Marketing Program for the marketing coverage area (a "Marketing Coverage Area") in which the Franchised Restaurant is located, Franchisee (and, if Franchisor or an Affiliate of Franchisor owns a Franchised Restaurant in the Marketing Coverage Area, then Franchisor or such Affiliate of Franchisor), shall become a subscriber and

member of the Cooperative Marketing Program and shall participate in the Cooperative Marketing Program in the manner prescribed by Franchisor. The size and content of a Marketing Coverage Area, if and when established by Franchisor, shall be binding upon Franchisee, and all other similarly situated Potato Corner Franchisees and Franchisor or an Affiliate of Franchisor, if it operates Potato Corner Restaurants in the Marketing Coverage Area. Each participating Potato Corner Franchisee, as well as Franchisor (or its Affiliate), if applicable, shall be entitled to one vote for each Franchised Restaurant located within the Marketing Coverage Area as may reasonably be determined by Franchisor, but in no event shall any Potato Corner Franchisee and/or its Affiliates have more than twenty-five percent (25%) of the vote, regardless of the number of Potato Corner Restaurants owned.

10.3.1 Franchisee and all other members of the Marketing Coverage Area whose Franchise Agreements require their participation in the Cooperative Marketing Program, shall contribute to the Cooperative Marketing Program the amounts that are determined by Franchisor and fifty percent (50%) or more of the participating Potato Corner Restaurants in the Cooperative Marketing Program (not to exceed two percent (2%) of the Gross Sales of each participating Franchised Restaurant located in the Marketing Coverage Area. Franchisee's contribution to the Cooperative Marketing Program shall be credited towards the satisfaction of the Local Store Marketing Expenditure required by Section 10.2.

10.3.2 Franchisor shall administer the Cooperative Marketing Program and shall determine the policies of the Cooperative Marketing Program and the usage of the available funds for media time, production of media materials, radio, television, newspapers or Franchised Restaurant level materials such as flyers, or posters, or for any other type of advertising or marketing use. Franchisor reserves the right to establish general standards concerning the operation of the Cooperative Marketing Program, advertising agencies retained by the Cooperative Marketing Program, and marketing conducted by the Cooperative Marketing Program. Any disputes (other than pricing) arising among or between Franchisee, other Potato Corner Franchisees, and/or the Cooperative Marketing Program shall be resolved by Franchisor, whose decision shall be final and binding on all parties.

10.4 Grand Opening Marketing Expenditure; Grand Opening Events. At least sixty (60) days before the Opening Date of the Franchised Restaurant, Franchisor and Franchisee shall develop a promotional campaign plan for the grand opening of the Franchised Restaurant. Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee which evidence the Grand Opening Marketing Expenditure and payment by Franchisee of the amounts required by this Section 10.4 for the grand opening marketing campaign for the Franchised Restaurant. If Franchisee fails to provide Franchisor with such evidence of payment, or if Franchisee fails to spend the amount required by this Section 10.4, Franchisee shall immediately pay the Marketing Fund the difference between the amount that Franchisee actually spent on the grand opening marketing campaign and the required Grand Opening Marketing Expenditure. In addition to the Grand Opening Marketing Expenditure, Franchisee shall conduct grand opening events and promotions as required and directed by Franchisor.

10.5 Promotional Campaigns. From time to time during the Term, Franchisor shall have the right to establish and conduct promotional campaigns on a national or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. Franchisee shall participate in the promotional campaigns upon the terms and conditions that Franchisor may establish. Franchisee acknowledges and agrees that participation may require Franchisee to purchase point of sale advertising material, posters, flyers, product displays and other promotional materials.

10.6 Advisory Council. Franchisor may from time to time establish an Advisory Council for Potato Corner Franchisees to work with Franchisor and to consult with Franchisor on potential improvements to the Potato Corner System, the products offered by Potato Corner Restaurants, advertising conducted by the Marketing Fund and any other matters that Franchisor deems appropriate. If an Advisory Council is formed, it will act solely in an advisory capacity, and will not have decision making authority, will be comprised of Franchisor's representatives and Potato Corner Franchisees who may be chosen by Franchisor or elected by other Potato Corner Franchisees. All Potato Corner Franchisees who serve on an Advisory Council shall pay all transportation costs, food, lodging and similar costs incurred in connection with their attendance at Advisory Council meetings. Franchisor shall have the right to form, change, merge or dissolve any Advisory Council at any time, in its sole discretion.

10.7 Internet. Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, Website, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Potato Corner Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Franchisee shall not separately register any domain name or any portion of any domain name containing the Potato Corner Marks or participate or market on any Website or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms, video Websites, email marketing sites or other forms of electronic media not yet developed) using the Potato Corner Marks without Franchisor's prior written consent. Franchisee's general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Franchisee commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Franchisee.

10.8 Websites. Franchisor shall establish and maintain from time to time, one or more Internet Websites that shall be used to provide information about Potato Corner Restaurants to the public. Franchisor has sole discretion and control over the establishment, design and content of the Website. Franchisor may, in its discretion, configure the site to accommodate one or more interior pages which Franchisor shall dedicate, in whole or in part, to the Franchised Restaurant, all at Franchisee's expense. Franchisor shall have the right, at its sole option, from time to time, to (i) change, revise, or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the URL and/or domain name of the Website; (iv) substitute, modify, or rearrange the Website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to comply with Applicable Laws, or respond to changes in market conditions or technology and respond to any other circumstances; (v) limit or restrict end-user access (in whole or in part) to the Website, and (vi) disable or terminate the Website without any liability to Franchisee.

10.9 Social Media. Franchisee shall not participate or market through the use of social technology, social media such as Facebook, Instagram, Pinterest, Twitter, Snapchat, Tumblr, social networking platforms or other forms of electronic media not yet developed ("Social Media Platforms") using the Potato Corner Marks or in connection with the Franchised Restaurant, without Franchisor's prior written consent. If Franchisee separately registers any Social Media Platform account (a "Social Media Account") containing the Potato Corner Marks or otherwise related to the Franchised Restaurant, whether with Franchisor's prior consent or otherwise (i) Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary information related to the Social Media Account that Franchisor requires or demands, without compensation to Franchisee; and (ii) the Social Media account shall, without further notice, become and be deemed to be

Franchisor's sole property without compensation to Franchisee, and Franchisee hereby assigns all of Franchisee's right, title and interest in all such Social Media Accounts to Franchisor. Franchisor shall be the sole owner of all related intellectual property rights in the Social Media Account and all content posted thereon. In addition, Franchisee hereby assigns to Franchisor the right to control and administer all Social Media Accounts, including the right to modify the Social Media Accounts, and Franchisee waives and releases all rights of restraint and moral rights therein and thereto. If the foregoing provisions of this Section 10.9 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and administer the Social Media Account to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights. For elimination of doubt, Franchisor's right to control and administer the Social Media Accounts includes, without limitation, the right to post or remove content, language and media, the right to require Franchisee to post and remove content, language and media, and to disable and/or close a Social Media Account.

11. CONFIDENTIAL INFORMATION

11. ~~11~~ Potato Corner Confidential Information. Franchisee acknowledges and agrees that the Potato Corner System is comprised of confidential information that has been developed by Franchisor and its Affiliates by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and its Affiliates and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, recipes, specially formulated and specially produced proprietary lines of flavoring and seasoning and the Trade Secret Food Ingredients, cooking techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, Websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the Franchised Restaurant which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Restaurant under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "Potato Corner Confidential Information"). Potato Corner Confidential Information does not include any information that was in the lawful and unrestricted possession of Franchisee prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Franchisee after receiving it; has been received lawfully and in good faith by Franchisee from a third party

who did not derive it from Franchisor or Franchisee; or is shown by acceptable evidence to have been independently developed by Franchisee.

11.2 Value. Franchisee acknowledges and agrees the Potato Corner Confidential Information is not generally known by the public or Persons other than Franchisor, its Affiliates, Potato Corner Franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Potato Corner Confidential Information, including, without limitation (i) not revealing the Potato Corner Confidential Information to unauthorized parties; (ii) requiring Potato Corner Franchisees to acknowledge and agree in writing that the Potato Corner Confidential Information is confidential; (iii) requiring Potato Corner Franchisees to agree in writing to maintain the confidentiality of the Potato Corner Confidential Information; (iv) monitoring electronic access to the Potato Corner Confidential Information by the use of passwords and other restrictions so that electronic access to the Potato Corner Confidential Information is limited to authorized parties; and (v) requiring Potato Corner Franchisees to return all Potato Corner Confidential Information to Franchisor upon the termination or expiration of their Potato Corner Franchise Agreements.

11.3 Maintain Confidentiality. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its Potato Corner Trade Secrets and/or Potato Corner Confidential Information. Franchisee shall divulge Potato Corner Confidential Information only to its supervisory or managerial personnel who must have access to it in order to perform their employment responsibilities.

11.4 Irreparable Injury from Disclosure of Potato Corner Confidential Information. Franchisee acknowledges that failure to comply with the requirements of this Section 11 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 11.

11.5 Confidentiality Covenants from Individuals Associated with Franchisee. Franchisee shall require any supervisory or managerial personnel who may have access to any Potato Corner Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Potato Corner Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

11.6 No Restriction. Nothing in this Article 11 is intended to prohibit or restrict any activity which prohibition or restriction violates Franchisee's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

12. ACCOUNTING AND RECORDS

12.1 General Reporting. Franchisee shall submit weekly and monthly statistical control forms and other financial, operational and statistical information that Franchisor may require (i) to assist Franchisee in the operation of the Franchised Restaurant; (ii) to allow Franchisor to monitor Gross Sales, purchases, costs and expenses; (iii) to enable Franchisor to develop chain wide statistics; (iv) to assist Franchisor in the

development of new Potato Corner Authorized Products or the removal of existing unsuccessful Potato Corner Authorized Products; (v) to enable Franchisor to refine existing Potato Corner Authorized Products; and (vi) to generally improve chain-wide understanding of the Potato Corner System (collectively, the "Reporting Information"). Franchisor reserves the right to require the further information concerning the Franchised Restaurant that Franchisor may, from time to time, reasonably request.

12.2 Specific Reporting. Unless otherwise agreed by Franchisor in writing, Franchisee shall submit condensed reports of daily Gross Sales to Franchisor on a weekly basis in accordance with the guidelines established by Franchisor. Franchisee will electronically link the Franchised Restaurant to Franchisor and will allow Franchisor to poll the POS System on a daily basis at a time selected by Franchisor to retrieve Reporting Information including sales, sales mix, usage and operations data. Further:

12.2.1 Within five (5) days following the end of each calendar month during the Term, or at any other interval that Franchisor may establish, Franchisee shall submit a Gross Sales report signed by Franchisee, in the form and manner prescribed by Franchisor, reporting all Gross Sales for the preceding month, together with the additional financial information that Franchisor may, from time to time, request.

12.2.2 Within fifteen (15) days following the end of each calendar quarter during the Term, Franchisee shall submit to Franchisor financial statements for the preceding quarter, including a balance sheet and profit and loss statement, prepared in the form and manner prescribed by Franchisor and in accordance with generally accepted accounting principles, which shall be certified by Franchisee to be accurate and complete.

12.2.3 Within forty-five (45) days following the end of each calendar year during the Term, Franchisee shall submit to Franchisor an unaudited annual financial statement prepared in accordance with generally accepted accounting principles, and in the form and manner prescribed by Franchisor, which shall be certified by Franchisee to be accurate and complete.

12.2.4 Within forty-five (45) days following Franchisor's request, Franchisee shall provide Franchisor with copies of signed original sales and use tax forms.

12.3 Audits. Franchisee shall prepare, and keep for not less than three (3) years following the end of each of its fiscal years, adequate books and records showing daily receipts in, at and from the Potato Corner Restaurants, applicable sales tax returns, if any, all pertinent original serially numbered sales slips and cash register records, and the other sales records as may be reasonably required by Franchisor, from time to time, to verify the Gross Sales reported by Franchisee to Franchisor, in a form suitable for an audit of Franchisee's records by an authorized auditor or agent of Franchisor. Such information shall be broken down by categories of goods, foods and beverages sold, when possible. Franchisor, its agents or representatives may, at any reasonable time during normal working hours, audit or review Franchisee's books and records in accordance with generally accepted standards established by certified public accountants. If any audit or other investigation reveals an under-reporting or under-recording error of two percent (2%) or more, then in addition to any other sums due, the expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, which shall include, without limitation, Franchisor's travel, lodging and wage expenses and reasonable accounting and legal expenses, plus interest at the rate of five percent (5%) per month (but not to exceed the maximum legal rate of interest).

12.4 Accounting System. Franchisee shall maintain an accounting and record keeping system, which shall provide for basic accounting information necessary to prepare financial statements, a general

ledger and reports required by this Agreement and the Manuals. Franchisee shall maintain accurate, adequate and verifiable books and supporting documentation relating to the accounting information.

12.5 Use of Financial Statements In Disclosure Document. Franchisee hereby irrevocably consents to Franchisor's use of information contained in its financial statements, at Franchisor's election, in its franchise disclosure document for the offer and sale of franchises.

12.6 Data for Franchised Restaurant. All data pertaining to the Franchised Restaurant and all data created or collected by Franchisee in connection with Franchisee's operation of the Franchised Restaurant (including, without limitation, data pertaining to the Franchised Restaurant's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's POS System and/or computer system) is the sole property of Franchisor and Franchisor shall have the right to use such data in any manner that Franchisor deems appropriate without any compensation to Franchisee. Franchisee shall provide Franchisor with copies and/or originals of such data upon request by Franchisor. Franchisor hereby licenses use of such data to Franchisee during the Term, at no cost, solely for Franchisee's use in connection with the operation of the Franchised Restaurant.

13. INSURANCE

13.1 Franchisee's Insurance Obligations. Franchisee shall obtain and maintain throughout the Term the types and amounts of insurance required by Franchisor and shall provide Franchisor with proof of coverage and Certificates of Insurance upon demand. This insurance shall protect Franchisee and Franchisor against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the operation of the Franchised Restaurant. Franchisee shall obtain and maintain (i) workers compensation insurance in compliance with local laws and regulations; (ii) employer's liability insurance with \$1,000,000 combined single limit coverage; (iii) comprehensive general liability insurance and product liability insurance with limits of \$1,000,000 combined single limit coverage including broad form contractual liability and personal injury coverage (employee and contractual inclusion deleted), provided that the required amounts may be modified periodically by us to reflect inflation or future experience with claims; (iv) automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least \$1,000,000; (v) loss of income insurance (in an amount sufficient to cover the all fees due to Franchisor under this Agreement for a period of at least twelve (12) months); (vi) rental value insurance in an amount sufficient to cover the rents and other fees due the Landlord under the Lease during any period of business interruption or inability to operate the Franchised Restaurant or any greater amounts of insurance as required by the Lease for the Franchised Location; (vii) employment practices liability insurance with a co-defendant endorsement in favor of Franchisor; (viii) employee non-owned automobile insurance with limits of \$1,000,000; (ix) cyber-liability insurance with limits of \$50,000; and (x) additional insurance and types of coverage as required by the terms of any Lease for the Franchised Location, including an umbrella policy with limits of \$2,000,000 to \$4,000,000. Franchisor reserves the right to change the insurance requirements during the term of this Agreement, including the types of coverage and the amounts of coverage. Franchisee must comply with any changes to these requirements.

13.2 Required Endorsements and Certificates. Each policy shall: (i) be written by insurers licensed and admitted to write coverage in the jurisdiction in which the Franchised Restaurant is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; (ii) name Franchisor as an additional insured; and (iii) comply with the requirements prescribed by Franchisor at the time the policies are obtained. Franchisee and Franchisee's insurers shall agree to waive their rights of

subrogation against Franchisor, and Franchisee shall provide evidence of the waiver in accordance with Section 13.1. Franchisee's obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18.4. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insured, shall nevertheless be entitled to recover under the policies on any loss occasioned to Franchisor, or its Affiliates, partners, shareholders, directors, agents, or employees by reason of the negligence of Franchisee or its partners, shareholders, directors, agents, or employees. At least ten (10) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of required coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by the Certificates. Certificates evidencing the insurance required by this Section 13 shall name Franchisor, and each of its Affiliates, partners, shareholders, directors, agents, and employees as additional insureds on the additional-insured Grantor of Franchise Form CG-2029 or an insurer's comparable form, and shall expressly provide that any interest of each shall not be affected by any Default by Franchisee of any policy provisions for which the Certificates evidence coverage.

13.3 Franchisor's Right to Secure Insurance on Behalf of Franchisee. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as the requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to immediately procure the insurance and to charge the same to Franchisee, which charges, together with Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14. TRANSFER OF INTEREST

14.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Franchisee. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform the obligations, and shall become solely responsible for all obligations, of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Potato Corner Marks, or the Potato Corner System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring all without the consent or approval of Franchisee. In connection with any of the foregoing, at Franchisor's request, Franchisee shall deliver to Franchisor a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect and identifying the modifications); (b) that Franchisee is not in default under any provision of this Agreement, or if in default, describing the nature thereof in detail; and (c) as to such other matters as Franchisor may reasonably request; and Franchisee agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.

14.2 Assignment by Franchisee. Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial

condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners. Accordingly, to protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Franchisee shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Franchisee's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly (i) any interest in this Agreement; or (ii) the right to use the Potato Corner System or the Potato Corner Marks (an "Assignment") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Franchisee satisfies the conditions to the Assignment identified in this Agreement.

14.2.1 Unless the Parties otherwise agree in writing, Franchisee shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all Potato Corner Restaurants then owned and operated by Franchisee. As a condition to Franchisor's consent to an Assignment, the assignee must execute Franchisor's Then-Current form of Potato Corner Franchise Agreement for each Franchised Restaurant sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Franchisee shall not offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement; and (ii) Franchisee shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than ten (10) days' prior written notice (which notice shall contain the name and address of the secured party and the terms of the pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

14.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to Assignment identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the Equity or voting power of Franchisee, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Franchisee; (iv) the issuance of any securities by Franchisee which itself or in combination with any other transactions results in the Owners, as constituted on the Effective Date, owning less than seventy percent (70%) of the outstanding Equity or voting power of Franchisee; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee shall promptly provide Franchisor with written notice (stating the information that Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee, notwithstanding that the same may not constitute an Assignment under this Article 14.

14.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the Equity or voting interests of the new business Entity are owned by the same Owners (a "Qualified Assignment"). Any attempted or purported Assignment which fails to comply with the requirements of this Article 14 shall be null and void and shall constitute a Default under this Agreement.

14.3 Right of First Refusal. Except with respect to a Qualified Assignment, if Franchisee or an Owner receive a bona fide written offer ("Third Party Offer") from a third party (the "Proposed Buyer") to purchase or otherwise acquire any interest in Franchisee which will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to purchase or otherwise acquire all Potato Corner Restaurants then owned and operated by Franchisee, or its Affiliates.

14.3.1 Franchisee, or the Proposed Buyer, shall attach to its application for consent to complete the Assignment a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

14.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("Purchase Notice") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer; and (ii) deduct from the purchase price the amount of all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise. If Franchisor believes the Third Party Offer does not reflect the fair market value of the Franchise, Franchisor may exercise its rights under this Section 14.3 to purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except the purchase price shall be at the cost or fair market value of the rights, assets, Equity or interests proposed to be assigned, whichever is less. If the Parties cannot agree on the cost and/or fair market value within thirty (30) days after Franchisee's receipt of the Purchase Notice, an independent appraiser acceptable to Franchisee shall be designated by Franchisor. The appraiser's determination shall be binding on the Parties. The Parties will share the cost of the appraiser equally.

14.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

14.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Franchisee. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 14.3.

14.4 Conditions of Assignment to Third Party. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

14.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new Potato Corner Franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

14.4.2 Franchisee must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

14.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Franchisee or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

14.4.4 The Proposed Buyer must sign Franchisor's Then-Current form of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of replacement Franchise Agreement shall be the remaining term of this Agreement. In exchange for signing the Then-Current Franchise Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement. If the Proposed Buyer is an Entity, each Person, and their spouse, who at the time of the Assignment, or later, owns or acquires, either legally or beneficially, ten percent (10%) or more of the Equity or voting interests of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations in the Then-Current Franchise Agreement under a Guarantee in the form of Exhibit C. If Franchisor is not offering new Potato Corner franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or franchise disclosure document or is not lawfully able to offer Franchisor's Then-Current form of Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Franchise Agreement.

14.4.5 Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the Assignment, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Potato Corner Confidential Information.

14.4.6 Franchisee and the Proposed Buyer shall execute a General Release of all known and unknown liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, that they have, may have or believe to have against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees as of the date of the General Release, in a form acceptable to Franchisor.

14.4.7 Franchisee shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment.

14.4.8 Franchisee must simultaneously transfer its rights in all contracts for which continuation is necessary for operation of the Franchised Restaurant to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the Assignment of Franchisee's rights to

the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained, including but not limited to, an assignment of the Lease.

14.4.9 Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

14.4.10 Except when the transferee is an existing Potato Corner Franchisee, the Proposed Buyer and a supervisory or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Restaurant who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

14.4.11 The Proposed Buyer must conform the Franchised Restaurant with Franchisor's Then-Current appearance and design standards and equipment specifications applicable to new Potato Corner Restaurants.

14.4.12 Franchisee must sign a guarantee personally guaranteeing the Proposed Buyer's obligations under the new Franchise Agreement in favor of Franchisor.

14.5 Restriction on Publicly Traded and Private Securities. Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation, nor may such interests be offered by private offering or otherwise, without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to use. No offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$10,000, which shall be in addition to any Transfer Fee under any Franchise Agreement and/or Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article 14.

14.6 Death or Incapacity. In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Owner, or the remaining Owners (the "Successor") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Owner; or (ii) complete an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party, subject to the provisions of this Article 14. If a Successor has not purchased the interest of the deceased or incapacitated Owner or completed an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

14.7 Transfer by Franchisee in Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to Section 16.1 and this Agreement is assumed, or Assignment of the same to any Person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by the assignee for the Assignment of this Agreement.

15. COVENANTS

15.1 No Prior Experience, Information or Knowledge. Franchisee specifically acknowledges and agrees that prior to becoming a franchisee of Franchisor, Franchisee had no experience, information or knowledge whatsoever about restaurants that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products or a Potato Corner Restaurant and that Franchisee's knowledge of the Potato Corner Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Restaurant under this Agreement. In addition, Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, Potato Corner Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Potato Corner System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

15.2 Non-Competition During Term of Agreement. Franchisee and each Restricted Person covenants that during the Term, except as otherwise approved in writing by Franchisor, Franchisee and each Restricted Person shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or Entity (i) divert or attempt to divert any present or prospective Potato Corner customer to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Potato Corner Marks and the Potato Corner System; or (ii) own (either beneficially or of record), engage in or render services to, whether

as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 15.2 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.3 Non-Competition After Expiration or Termination of Agreement. Except as Franchisor otherwise approves in writing, commencing upon the date of (i) an Assignment permitted under Article 14; (ii) the Expiration Date of this Agreement; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.3, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Restricted Person shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located at the Franchised Location or within two (2) miles of the Franchised Location or any other Potato Corner Restaurant; provided, however, the restrictions stated in this Section 15.3 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.4 Violation of Covenants. If Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period following (i) the termination or expiration of this Agreement; (ii) the occurrence of any Assignment during the Term; (iii) the cession of the Restricted Person's relationship with Franchisee; or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3, in addition to all other remedies available to Franchisor, Franchisee or the Restricted Person shall pay Franchisor, throughout two (2) year period, seven percent (7%) of the revenue derived by Franchisee from the sale of all products and services and all other income of every kind and nature ("Post Termination Gross Sales") of the Competitive Business. Franchisee shall account for and pay the seven percent (7%) of the Post Termination Gross Sales to Franchisor on the fifteenth day of each calendar month on the Post Termination Gross Sales of the Competitive Business during the preceding calendar month. Franchisor shall have the right to audit the books and records of the competing business in accordance with Section 12.3 to confirm Franchisee's compliance with this Section 15.4, upon prior notice to Franchisee.

15.5 Exceptions to Covenants. Section 15.2 and Section 15.3 shall not apply to ownership by Franchisee or a Restricted Person of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1933, or the Securities Exchange Act of 1934.

15.6 Reducing Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 15.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

15.7 Reasonable Good Faith Estimate. The Parties acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages and expenses Franchisor will incur if Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period

following (i) the termination or expiration of this Agreement; (ii) the occurrence of any Assignment during the Term; (iii) the cession of the Restricted Person's relationship with Franchisee; or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3 due to the complications inherent in determining the amount of revenue lost by Franchisor because of the uncertainty regarding the number of months left to complete the Term then in effect, the uncertainty regarding the Gross Sales of the Franchised Restaurant during the remainder of that Term, the amount of Royalty Fees Franchisee would have paid Franchisor based upon the Gross Sales of the Franchised Restaurant and the like as well as the amount of the fees that Franchisor will collect from Franchisee upon the occurrence of the circumstances described in Section 15.3. The Parties further acknowledge and agree that the seven percent (7%) fee of Post Termination Gross Sales is a reasonable, good faith estimate of those damages.

15.8 Covenants from Individuals. Upon demand by Franchisor, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a Person's relationship with Franchisee) from all Owners. Every covenant required by this Section 15.8 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

15.9 Effect of Applicable Law. In the event any portion of the covenants in this Article 15 violates laws affecting Franchisee, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any reduced covenant upon receipt of written notice. The provisions of this Article 15 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

15.10 Business Practices. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). In connection with its compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 16.2.

15.11 Survival. The provisions of this Article 15 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Potato Corner Marks, the Potato Corner System, the Potato Corner Confidential Information, the Potato Corner Trade Secrets, or any other proprietary aspects of Franchisor's business.

16. DEFAULT AND TERMINATION

16.1 Termination In the Event of Franchisee's Bankruptcy or Insolvency. Franchisee shall be deemed to be in Default under this Agreement, and all rights granted to Franchisee of this Agreement shall automatically terminate without notice to Franchisee (i) if Franchisee or its Principal Owner becomes insolvent or make a general assignment for the benefit of creditors; (ii) if a petition in bankruptcy is filed under any foreign, state or United States Bankruptcy Act by Franchisee or its Principal Owner or if a petition is filed against and not opposed by Franchisee or its Principal Owner; (iii) if Franchisee or its Principal Owner is adjudicated as bankrupt or insolvent; (iv) if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or its Principal Owner or other custodian for the Franchised Restaurant is filed and consented to by Franchisee or its Principal Owner; (v) if a receiver or other custodian (permanent or temporary) of Franchisee's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee or its Principal Owner; (vii) if a final judgment in excess of \$100,000 against the Franchised Restaurant remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) if Franchisee or its Principal Owner admits Franchisee or its Principal Owner is unable to generally pay Franchisee's or its Principal Owner's debts as they become due; (ix) if execution is levied against the Franchised Restaurant or property; (x) if suit to foreclose any lien or mortgage against the Franchised Restaurant, the Franchised Location or the equipment of the Franchised Restaurant is instituted against Franchisee or its Principal Owner and not dismissed within thirty (30) days; or (xi) if the Franchised Restaurant or the Franchised Location shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Option to Terminate Without Opportunity to Cure. Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of notice by Franchisor upon the occurrence of any of the following events:

16.2.1 If Franchisee shall Abandon the Franchised Restaurant.

16.2.2 If Franchisee shall purport to make any Assignment without the prior written consent of Franchisor.

16.2.3 If Franchisee shall Default in any obligation as to which Franchisee has previously received three (3) or more written notices of Default from Franchisor setting forth the Default complained of within the preceding twelve (12) months.

16.2.4 If Franchisee makes any material misrepresentations in connection with the execution of this Agreement or the operations of the Franchised Restaurant.

16.2.5 If Franchisee fails, for a period of ten (10) days after having received notification of noncompliance from Franchisor or any Governmental Authority, to comply with any Federal, state or local law or regulation applicable to the operation of the Franchised Restaurant.

16.2.6 If Franchisee's operation of the Franchised Restaurant constitutes an imminent danger to the public health or if Franchisee sells unauthorized products to the public after Notice of Default and thereafter sells the products, whether or not Franchisee has cured the Default after one or more notices.

16.2.7 If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Sales or withheld the reporting of the same as provided in this Agreement.

16.2.8 If Franchisee or any of its Owners, are convicted of or plead guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, the Potato Corner System, the Potato Corner Marks or the goodwill associated with the same; however, if the crime or offense is committed by an Owner other than the Principal Owner, Franchisor may only terminate this Agreement under this Section 16.2.8 if the convicted Owner fails to sell its interest in Franchisee to Franchisee's other Owners within thirty (30) days after the conviction or guilty plea.

16.2.9 If Franchisee materially misuses or makes any unauthorized use of the Potato Corner Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein, or takes any action which reflects materially and unfavorably upon the operation and reputation of the Franchised Restaurant or the Potato Corner chain generally.

16.2.10 If Franchisee makes any unauthorized use, disclosure, or duplication of the Potato Corner Trade Secrets or Potato Corner Confidential Information.

16.2.11 If Franchisee fails to purchase and maintain in inventory the types and quantities of Potato Corner Branded Products, Potato Corner Proprietary Products or Non-Proprietary Products necessary to meet reasonably anticipated consumer demand.

16.2.12 If Franchisee shall or purports to purchase Potato Corner Branded Products or Potato Corner Proprietary Products or Non-Proprietary Products from other than a Potato Corner Approved Supplier and fails to cease use of the non-complying product within three (3) days after having received notification from Franchisor to do so.

16.2.13 If Franchisee shall or attempts to sell any food products other than Potato Corner Authorized Products at the Franchised Restaurant and fails to cease to do so within three (3) days after having received notification from Franchisor to do so.

16.2.14 If Franchisee shall Default in any obligation under this Agreement that by its nature is not capable of being cured by Franchisee.

16.2.15 If, within ten (10) days after receipt of written notice from Franchisor that any required payment is overdue, Franchisee fails to make the payment to Franchisor, Franchisor's Affiliates, or, to Franchisee's Landlord, suppliers, creditors or employees unless, with respect to Franchisee's suppliers, creditors or employees, Franchisee notifies Franchisor of the existence on a bona fide dispute and takes immediate action to resolve it.

16.2.16 If Franchisee fails to meet the site selection requirements, enter a Lease or Open the Franchised Restaurant within the applicable time periods provided for in this Agreement.

16.2.17 If Franchisee or the Owners use abusive language when communicating with Franchisor, Franchisor's staff or with customers, or denigrate the Potato Corner System or portray it in an unflattering light on the Internet or otherwise.

16.2.18 If Franchisee fails to make timely payments upon any obligation of Franchisee upon which Franchisor has advanced any funds for or on behalf of Franchisee, or upon which Franchisor is acting as a guarantor of Franchisee, or Default upon or breach of any provision of any promissory note or other

evidence of indebtedness or any agreement relating to this Agreement concerning any obligation of Franchisee which arises from the Franchised Restaurant.

16.2.19 If Franchisee Defaults in the repayment or performance of any obligation or financing transaction with third parties under which this franchise, the Franchised Location or any assets of the Franchised Restaurant are pledged as security for Franchisee's performance.

16.2.20 If funding promised or otherwise represented to be made available to Franchisee or its Owners on the condition that Franchisee sign this Agreement is not made available to Franchisee or its Owners within ten (10) business days after Franchisee signs this Agreement.

16.2.21 If, in Franchisor's Business Judgment, Franchisor has grounds to believe that Franchisee or any of its Owners, officers, directors, or key employees has engaged or attempted to engage, through one or more affirmative acts or a failure to act, in any fraudulent, dishonest, unethical, immoral, or similar conduct in connection with the Franchised Restaurant's operation, whether such conduct is directed at or reasonably expected to impact the Franchised Restaurant, the Potato Corner System, the Franchisor or its Affiliates, suppliers, other franchisees, or another third party.

16.2.22 If, in Franchisor's Business Judgment, Franchisor has grounds to believe that Franchisee or any of its Owners, officers, or directors has engaged in any lewd or immoral conduct, whether or not in connection with the Franchised Restaurant's operation.

16.3 Termination With Notice and Opportunity To Cure. Except for any Default by Franchisee under Section 16.1 or Section 16.2, and as expressly provided elsewhere in this Agreement, Franchisee shall have five (5) days, in the case of any monetary Default and ten (10) days in the case of any other type of Default, following the receipt of a Notice of Default (a "Notice of Default") demanding the cure of the Default and to provide evidence of the cure to Franchisor. If any Default is not cured within that time period, or any longer time period that Applicable Law may require or that Franchisor may specify in the Notice of Default, this Agreement and all rights granted in this Agreement shall automatically terminate without further notice or opportunity to cure.

16.4 Reimbursement of Franchisor's Costs. Upon a Default by Franchisee, all of Franchisor's costs and expenses arising from the Default, including reasonable attorneys' fees, shall be paid to Franchisor within five (5) days after cure or upon demand by Franchisor whether or not the Default is cured.

16.5 Cross-Default. Any Default by Franchisor under the terms and conditions of this Agreement, any Multi-Unit Development Agreement 'or any other agreement between Franchisor, or its Affiliates, and Franchisee, or its Owners or Affiliates, shall be deemed to be a Default of each and every other agreement. In the event of termination, for any cause, of this Agreement or any other agreement between the Parties, Franchisor may, at its option, terminate any or all of the agreements.

16.6 Notice Required By Law. Notwithstanding anything to the contrary contained in this Article 16, if any valid Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by that Applicable Law. Franchisor shall

not, however, be precluded from contesting the validity, enforceability or application of Applicable Laws in any action, hearing or dispute relating to this Agreement or the termination of this Agreement.

16.7 Interim Management. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, after Franchisor has given Franchisee written notice that Franchisee is in Default, Franchisor may (but is not obligated to) assume interim management of the Franchised Restaurant during the pendency of any cure period or in lieu of immediately terminating this Agreement. If Franchisor elects to assume interim management of the Franchised Restaurant (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement; (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchised Restaurant during any interim management period; (iii) Franchisor will have the right to charge a reasonable fee for the management services; and (iv) Franchisee agrees to, and hereby does, indemnify and hold Franchisor harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys' fees) incurred in connection with the interim management of the Franchised Restaurant, other than those arising solely from the gross negligence or willful misconduct of Franchisor. Franchisor may delegate its responsibilities under this Section 16.7 to any designee, employee or agent of Franchisor, as Franchisor may direct.

16.8 Delay by Force Majeure. Franchisee shall provide Franchisor, within five (5) days after the occurrence of an event that Franchisee believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Franchisee's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. If Franchisor determines that the Default is the result of an event of Force Majeure, the required date for performance by Franchisee shall be extended by the number of days equal to the number of days that the Force Majeure exists. Franchisee shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Franchisee's progress and diligence in responding to and overcoming the event of Force Majeure. An event of Force Majeure will not affect or change Franchisee's obligation to pay Royalty, Marketing Fund Fees, Software License Fees or any other fees or payments owed to Franchisor or Franchisor's Affiliates when due.

17. OBLIGATIONS FOLLOWING TERMINATION OR EXPIRATION

17.1 General. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, upon the termination or expiration of Franchisee's rights granted under this Agreement, Franchisee shall immediately cease to use all Potato Corner Trade Secrets, Potato Corner Confidential Information, the Potato Corner Marks, and any confusingly similar trademark, service mark, trade name, logotype, or other commercial symbol or insignia. Franchisee shall at its own cost immediately return the Manuals and all written materials incorporating Potato Corner Trade Secrets and all copies of any of the same to Franchisor. Franchisee shall at its own cost make cosmetic changes to the Franchised Restaurant and the Franchised Location so that they no longer contain or resemble Franchisor's proprietary designs and shall remove all Potato Corner identifying materials and distinctive Potato Corner cosmetic features and finishes, soffits, interior wall coverings and colors, exterior finishes and colors and signage from the Franchised Location that Franchisor may reasonably direct. -In addition, Franchisee shall allow Franchisor permanent and unfettered access to the POS System of the Franchised Restaurant.

17.2 Prior Payments. Franchisor may retain all fees paid to Franchisor pursuant to this Agreement, and Franchisee shall immediately pay any and all amounts remaining due to Franchisor and its Affiliates. If

this Agreement terminates due to a Default by Franchisee, the amounts to be paid by Franchisee shall include all damages, and costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the Default, which obligation shall remain, until paid in full, a lien in favor of Franchisor against assets of the Franchised Restaurant.

17.3 Termination of Obligations and Rights. Following Upon the termination or expiration of this Agreement, any and all obligations of Franchisor to Franchisee under this Agreement shall immediately cease and terminate. Likewise, any and all rights of Franchisee under this Agreement shall immediately cease and terminate and Franchisee shall immediately cease and thereafter refrain from representing itself as a then or former Franchisee or other Affiliate of Franchisor.

17.4 Electronic Communications and Media. The goodwill associated with all telephone and fax numbers, email addresses, domain names. Websites or web pages, social media and other Internet addresses used in operation of the Franchised Restaurant ("Electronic Communications and Media") is an asset that belongs to Franchisor. Franchisor shall have the option, exercisable by written notice within thirty (30) days after the cancellation, termination or expiration of this Agreement, to take an assignment of all Electronic Communications and Media for the Franchised Restaurant. If Franchisor exercises this option, Franchisee will be deemed to have assigned to Franchisor or Franchisor's designee, all right, title and interest in and to these and/or services associated with the same. Franchisee shall notify the telephone company, domain name registrars and all listing agencies of the cancellation, termination or expiration of its right to use the Electronic Communications and Media associated with the Franchised Restaurant, and shall authorize their transfer to Franchisor. Franchisee hereby appoints Franchisor as its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as may be necessary to effect an assignment of all Electronic Communications and Media for the Franchised Restaurant. This power of attorney is coupled with an interest and shall survive the cancellation, termination or expiration of this Agreement. Franchisee, by executing this Agreement, authorizes Franchisor and hereby appoints Franchisor and all of Franchisor's officers as Franchisee's attorney-in-fact to direct the telephone company, domain name registrars and all listing agencies to transfer the same to Franchisor, should Franchisee fail or refuse to do so. The telephone company, domain name registrars and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive rights to the Electronic Communications and Media and Franchisor's authority to direct their transfer. Franchisee must sign the instruments Franchisor requests to confirm the assignment and transfers to Franchisor. Franchisee shall not be entitled to any compensation from Franchisor if Franchisor exercises this option.

17.5 Purchase Restaurant Assets. Upon the expiration of this Agreement or the termination of this Agreement for any Default of Franchisee, Franchisor shall have the option, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase some or all of the assets of the Franchised Restaurant, regardless of whether the Franchised Restaurant is under construction or is Open and operating, and some or all of the assets of Franchisee related to the Franchised Restaurant that Franchisor elects to purchase (collectively, the "Restaurant Assets"). The purchase price for the Restaurant Assets (the "Purchase Price") shall be the "Fair Market Value" of the Restaurant Assets as determined under this Section 17.5. "Fair Market Value" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "Exercise Date"). The Parties shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser, and Franchisee shall appoint within forty (40) days of the Exercise Date, one (1) appraiser. The two (2) appraisers shall within a period of five (5) additional days, agree upon and appoint an additional appraiser. The three (3) appraisers

shall, within sixty (60) days after the appointment of the third appraiser, determine the Purchase Price in writing and submit their report to the Parties. The Purchase Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two (2) appraisers' valuations, and the arithmetic mean of the remaining two (2) appraisers' valuations shall be the Purchase Price. The Parties shall each pay for the services of the appraiser they select, plus fifty percent (50%) of the fee charged by the third appraiser, and fifty percent (50%) of all other costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as the Parties mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price, fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in eighty-four (84) equal monthly payments and shall bear interest at a rate equal to the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), or ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Restaurant Assets. Any purchase of the Restaurant Assets shall include the assumption by Franchisor and the assignment by Franchisee, of the Lease for the Franchised Restaurant.

17.6 Survival of Obligations. Termination or expiration of this Agreement shall be without prejudice to any other rights or remedies that Franchisor or Franchisee, as the case may be, shall have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination or post-expiration covenants and agreements, including the obligation of the Parties to attempt to resolve all disputes by mediation, shall survive the termination or expiration of this Agreement.

17.7 No Ownership of Potato Corner Marks. Franchisee acknowledges and agrees that the rights to the Potato Corner Marks and the use of the Potato Corner Marks shall be and remain the property of Franchisor. Franchisee acknowledges and agrees that any use of the Potato Corner Marks after the termination or expiration of this Agreement shall constitute an unauthorized use of an identical mark and shall entitle Franchisor to damages due to, but not limited to, trademark infringement and counterfeiting.

17.8 Government Filings. If Franchisee has registered any of the Potato Corner Marks or the name Potato Corner or Potato Corner as part of an assumed, fictitious or corporate name, Franchisee shall promptly amend those registrations to delete the Potato Corner Marks and any confusingly similar marks or names.

17.9 Security Interest. Franchisee acknowledges and agrees that in addition to any other rights and remedies to which Franchisor and its Affiliates may be entitled, Franchisor and its Affiliates may enforce any rights and remedies of a secured party under the UCC as enacted in the state where the Franchised Location is located, pursuant to the security interest granted in Section 4.9, including, without limitation, the right to enter the Franchised Location to remove and repossess any products or goods in which Franchisor or its Affiliates have been granted a security interest, without notice to Franchisee. Franchisee hereby waives and releases Franchisor and its Affiliates from any and all claims in connection therewith and arising therefrom. At the request of Franchisor or its Affiliates following the event of a Default, Franchisee shall assemble and make available to Franchisor and its Affiliates all products and goods in which Franchisor or its Affiliates have been granted a security interest at a place to be designated by Franchisor or its Affiliates which is reasonably convenient to both Parties.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1 No Fiduciary Relationship. This Agreement does not create a fiduciary relationship between the Parties. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

18.2 Public Notice of Independent Status. Franchisee shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent Franchisee of Franchisor, and shall place the notice of independent ownership on all forms. Franchisor shall have the right to specify the language of any notice. In addition, Franchisee must be identified as the owner of the Franchised Restaurant by placing Franchisee's individual, Entity or other legal name on all checks, invoices, receipts, contracts, stationary and other documents by Franchisee that bear the Potato Corner Marks from diminishing or destroying the legal protection to which the Potato Corner Marks are entitled.

18.3 Independent Contractor. Franchisee acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Restaurant or for any claim or judgment arising therefrom against Franchisee or Franchisor.

18.4 Indemnification. Franchisee and its Owners and Affiliates (collectively, the "Indemnitors") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor and its Constituents (collectively, the "Indemnitees"), from any and all "Losses and Expenses" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, and regardless of whether the same is between Indemnitors and Indemnities (collectively, an "Indemnifiable Claim") which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Restaurant and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Franchisee; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 18.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Franchisee). For the purpose of this Section 18.4, the term "Losses and Expenses" means and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

18.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 18.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "Third Party Claim") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the

Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

18.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

18.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

18.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

18.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

18.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

19. DISPUTE RESOLUTION

19.1 Mediation. The Parties pledge to attempt first to resolve any dispute pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA") unless the Parties agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in Los Angeles County, California, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. The mediation provision in this Section 19.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to Franchisor and/or to protect the Potato Corner Marks. Any claim or dispute involving or contesting the validity of any of the Potato Corner Marks shall not be subject to mediation.

19.2 Arbitration. The Parties agree that, subject to Section 19.1 and Section 19.8 of this Agreement, all disputes arising out of or relating to this Agreement or any other agreement between Franchisor and Franchisee, Franchisor's relationship with Franchisee, the scope and validity of this Agreement or any other agreement between Franchisor and Franchisee or any provision of those agreements (including the validity and scope of the arbitration obligations under this Section 19.2, which the Parties acknowledge is to be determined by an arbitrator and not by a court), or the Potato Corner System, shall be submitted for binding arbitration, on demand of either Party, to the AAA.

19.2.1 The arbitration proceedings shall be conducted by one arbitrator and, except as otherwise provided in this Section 19.2, according to the then-current commercial arbitration rules of the AAA. All proceedings shall be conducted at a suitable location chosen by the arbitrator in the Los Angeles, California metropolitan area. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 USC. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The arbitrator shall have the right to award or include in the arbitrator's award any relief which the arbitrator deems proper, including, without limitation, money damages (with interest on any unpaid amounts from the date due), specific performance, injunctive relief (except as provided in Section 19.7), and attorneys' fees and costs, provided that the arbitrator may not declare any Potato Corner Mark generic or otherwise invalid or award any punitive or exemplary damages against either Party. The Parties shall be bound by the provisions of any limitation on the period of time in which claims must be brought under Applicable Law or this Agreement, whichever expires earlier. The Parties further agree that, in any arbitration proceeding, each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

19.2.2 Franchisor reserves the right, but not the obligation, to advance Franchise's share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and, by doing so, shall not be deemed to have waived or relinquished Franchisor's right to seek the recovery of amounts advanced in accordance with Section 19.6. The Parties agree that arbitration shall be conducted on an individual, not a class-wide, basis and that any arbitration proceeding between the Parties, or their Affiliates, and/or their respective officers, directors, shareholders, members, managers, agents, and/or employees, may not be consolidated with any other arbitration proceeding between the Parties and any other Person. Notwithstanding the foregoing or anything to the contrary in this Section 19.2, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 19.2, the Parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in the Superior Court of California, County of Los Angeles or the United States District Court for the Central District of California in Los Angeles, California in accordance with this Article 19 (excluding this Section 19.2).

19.3 Governing Law. Except as otherwise provided in Section 19.2.1, this Agreement shall be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 19.3 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

19.4 Waivers. The Parties agree, to the extent permitted by Applicable Law, that any legal action or proceeding of any kind by either Party must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one (1) year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. Franchisor and Franchise, for themselves, and Franchise, for and on behalf of the Owners, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 19.7.

19.5 Specific Performance. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable. The Parties further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Franchisee might otherwise have.

19.6 Injunctive Relief. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Potato Corner Marks and Confidential Information (including any proprietary software used in connection with the Franchised

Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Potato Corner Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibit any act or omission by Franchisee or its employees that constitutes a violation of Applicable Law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

19.76 Exclusive Remedy. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any claim for damages. Neither Party may claim any damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

19.87 Attorneys' Fees and Costs. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a court of competent jurisdiction.

19.98 Exceptions to Mediation and Arbitration. Section 19.1 and Section 19.2 shall not apply to any action involving or contesting the validity of any of the Potato Corner Marks or any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to Franchisor and/or to protect the Potato Corner Marks.

19.10 No Withholding of Payments. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's Affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

19.11 WAIVER OF JURY TRIAL. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

19.12 WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS

AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

19.13 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. Except for any damages or losses incurred by Franchisor as a result of or arising out of any of Franchisee's (i) breach of its non-compete or confidentiality obligations under the Franchise Agreement, (ii) misuse or breach of its obligations under the Franchise Agreement as it relates to or arises out of the Potato Corner Marks or the System, (iii) fraud or willful misconduct, or (iv) any other illegal conduct or bad faith actions, Franchisor hereby waives to the fullest extent permitted by law, any right to or claim for any punitive damages (and only punitive damages) against Franchisee arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise).

19.14 Consequential Damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Franchisee's waiver of any right to claim any consequential damages. Nothing in this Section 19.14 or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the Term if it is terminated due to Franchisee's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

19.15 Survival. The provisions of this Article 19 shall survive the expiration, termination or non-renewal of this Agreement.

20. NOTICES

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, by facsimile transmission or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; (iv) on the day of facsimile transmission to the facsimile number given below if confirmation of receipt is obtained by the sender promptly after completion of facsimile transmission; and (v) on the day of electronic transmission to the email address given below if confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

PCJV USA, LLC
8657 Hayden Place
Culver City, California 90232
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Fax: (818) 981-4764

Notices to Franchisee: See Exhibit A

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

21. ACKNOWLEDGMENTS

21.1 Waiver and Delay. No waiver by Franchisor of any Default, or series of Defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it under this Agreement or under any agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any Franchise Agreement or other agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

21.2 Survival of Covenants. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the termination or expiration of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

21.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

21.4 Joint and Several Liability. If Franchisee consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

21.5 Entire Agreement. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Nothing in this Agreement or any related agreement, however, is intended to disclaim the representations made in the Potato Corner Franchise Disclosure Document previously furnished to Franchisee.

21.6 Titles and Recitals. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B are true and correct and are hereby incorporated by reference into the body of this Agreement.

21.7 Gender and Construction. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Franchisee that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, on any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor’s standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. The Parties intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

21.8 Severability; Modification. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

21.9 Multi-Unit Development Agreement. This Section 21.9 is only applicable if Franchisee or its Affiliates have entered into a Multi-Unit Development Agreement (a “Development Agreement”) with Franchisor. Franchisor and Franchisee acknowledge and agree that the Development Agreement contains certain negotiated provisions which are intended to apply to, and modify, future franchise agreements entered into by the Parties. Therefore, notwithstanding anything to the contrary set forth in this Agreement, to the extent any provision in the Development Agreement contradicts any provision in this Agreement, or is in addition to any provision of this Agreement, the Development Agreement shall control to the extent of such inconsistency or addition. Franchisor and Franchisee further acknowledge and agree that this Section 21.9 has been added at the request and for the convenience and benefit of both Parties and with advice of counsel. Accordingly, both Franchisor and Franchisee shall work in good faith to resolve any disputes regarding the application or intent of the Development Agreement and future franchise agreements entered into by the

Parties. Should a dispute arise as to the application or intent of the Development Agreement as it pertains to this Agreement, the Parties shall resolve the dispute in accordance with Article 19 of this Agreement.

21.10 Counterparts and Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

21.11 Electronic Execution and Copies. This Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and Electronic Signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits. An executed copy of this Agreement (or any portion of this Agreement) may be delivered by either of the Parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (collectively, "electronic"), and delivery will be effective and binding upon the Parties, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement. Franchisee acknowledges and agrees that Franchisor may create an electronic record of any or all agreements, correspondence or other communications between the Parties or involving third parties and may thereafter dispose of or destroy the original of any of the agreements, correspondence or other communications. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. Notwithstanding any Applicable Law to the contrary, any electronic version of this Agreement or any other agreements, correspondence or other communications between the Parties will have the same legal effect, validity and enforceability as an original of any document, even if the original of the document has been disposed of or intentionally destroyed.

~~21.12 Intent to Comply. Franchisee, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply with the terms of this Agreement and be bound by the terms of this Agreement.~~

~~21.13 Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the business franchised under this Agreement, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee and if an Entity, its Owners, as independent businesspersons.~~

21.124 Copy of Agreement. Franchisee acknowledges that it received a copy of this Agreement, the Exhibits attached to this Agreement and all other agreements relating hereto, if any, with all of the blank lines filled in, at least seven (7) days prior to the Effective Date.

~~21.15 Opportunity to Consult. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits attached to this Agreement, and all other agreements relating hereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.~~

21.136 Franchise Disclosure Document. Franchisee acknowledges that it has received a copy of the complete Potato Corner Franchise Disclosure Document which contains a copy of this Agreement, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

21.147 Atypical Terms. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other Potato Corner Franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that all Potato Corner Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable Business Judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Potato Corner Franchise Agreements previously executed or executed after the Effective Date with other Potato Corner Franchisees in a non-uniform manner.

21.158 Business Judgment. Notwithstanding any provision in this Agreement to the contrary, Franchisee and the Owners acknowledge and agree that:

21.185.1 This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the explicit rights and obligations of Franchisee and the Owners hereunder that may affect Franchisee and the Owners' interests favorably or adversely. Franchisor shall use its Business Judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the Potato Corner System and other Potato Corner Franchisees, Potato Corner Restaurants generally, and specifically without considering the individual interests of Franchisee or the Owners or the individual interests of any other Potato Corner Franchisee. Franchisee and the Owners acknowledge and agree that Franchisor shall have no liability to Franchisee or the Owners for the exercise of its discretion in this manner; and even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any legal action shall substitute his or her judgment for Franchisor's judgment so exercised and no such action or decision shall be subject to challenge for abuse of discretion. If Franchisor takes any action or Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction are challenged for any reason, the Parties expressly direct the trier of fact to find that Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

21.185.2 In granting its approval of the Franchised Location, designating suppliers, setting standards and the like, Franchisor shall exercise its Business Judgment. However, in the exercise of its Business Judgment, Franchisor shall not be liable to Franchisee or the Owners or anyone else, if Franchisor's exercise of its Business Judgment results in a business loss or if the products or services provided fail to meet the expectations of Franchisor, Franchisee, the Owners or other parties. Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which Franchisee uses, purchases, retains or hires pursuant to Franchisor's exercise of its Business Judgment.

21.15.3 If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, the Parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if Applicable Law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the Parties that is inherent in this Agreement)

grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of the Potato Corner Franchisees generally (including Franchisor and its Affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular Potato Corner Franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

21.16 No Third Party Beneficiaries. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person or Entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns that may have any rights or remedies under or as a result of this Agreement.

21.17 Time of the Essence. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

21.18 Acceptance. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon its execution by both Franchisor and Franchisee. This Agreement shall not be binding on Franchisor unless and until accepted and signed on its behalf by an authorized officer of Franchisor.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____

Name: _____

Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL AND
NOT AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

EFFECTIVE DATE: _____.

NAME OF FRANCHISEE: _____.

EXPIRATION DATE: _____.

ADDRESS OF FRANCHISED LOCATION: _____.

OPENING DATE: _____.

PROTECTED AREA: _____.

ROYALTY FEES: ____% OF GROSS SALES.

NOTICE ADDRESS FOR FRANCHISEE: _____.

EMAIL: _____.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A on the Effective Date.

FRANCHISOR:

PCJV USA, LLC
A Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED
LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

- ☐ corporation
- ☐ limited liability company
- ☐ general partnership
- ☐ limited partnership
- ☐ Other (specify): _____

State of incorporation/organization: _____

Name of Franchisee entity: _____

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "Entity Documents").

(3) Franchisee promptly shall provide all additional information that Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Franchisee.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of Franchisee Owners who will be devoting their full time to the Franchised Restaurant are:

NAME	ADDRESS	TITLE

(6) The address where Franchisee's financial records and Entity Documents are maintained is: _____.

(7) The Principal Owner is _____.

(8) The General Manager is _____.

(9) Franchisee represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Franchise Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Franchisee shall provide Franchisor with all additional information Franchisor may request with respect to the partners, shareholders and members of Franchisee and the ownership of Franchisee upon demand by Franchisor. In addition, Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in this Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects. Franchisor grants Franchisee the rights in the Franchise Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this Exhibit B on the Effective Date.

FRANCHISOR:

PCJV USA, LLC
A Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED
LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL AND NOT
LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

The undersigned ("Guarantors") have requested PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), to enter into that certain Franchise Agreement dated _____ (the "Franchise Agreement") with the "Franchisee" named in the Franchise Agreement. In consideration for, and as an inducement to, Franchisor's execution of the Franchise Agreement, Guarantors hereby agree as follows:

1. "Obligations" means and includes any and all obligations of Franchisee arising under or pursuant to the Franchise Agreement and all other obligations, whether now existing or hereafter arising, of Franchisee to Franchisor of whatever nature.
2. Guarantors irrevocably and unconditionally, fully guarantees to Franchisor the prompt, full and complete payment of any and all Obligations of Franchisee to Franchisor and the performance of any and all obligations of Franchisee including, without limitation, obligations under the Franchise Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.
3. If Franchisee fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Franchise Agreement is not observed, performed or discharged as required by the Franchise Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, to observe, perform or discharge the obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.
4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Franchisee or any other Person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Franchise Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Franchise Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Franchise Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any Assignment or transfer of the Franchise Agreement (or any of them) by Franchisor or Franchisee; (iv) the invalidity or unenforceability of any provision of the Franchise Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Franchise Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Franchisee or any other Person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Franchisee's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Franchisee, any other or others; (iv) any defense arising out of any alteration of the Franchise Agreement or the Obligations; (v) notice of Franchisee's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Franchisee, Franchisor, any endorser, creditor of Franchisee or Guarantors under this or any other instrument, or any other Person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Franchisee by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that those facts materially increase the risk beyond that which Guarantors intends to assume or has reason to believe that the facts are unknown to Guarantors or has a reasonable opportunity to communicate the facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Franchisee's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Franchisee. All existing or future indebtedness of Franchisee to Guarantors and any right to withdraw capital invested in Franchisee by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and the rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Guarantee, Guarantors waive and agree not to assert or take advantage of: (i) all rights described in California Civil Code Sections 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights or defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Franchisee's obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and each renewal term and through any extensions, renewals, amendments, modifications, substitutions or replacements of the Franchise Agreement and until all Obligations has been fully paid and the Obligations have been fully performed. In the event of any Default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Franchisee or whether Franchisee is joined in any action or actions. Franchisor may maintain successive actions for other Defaults.

Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Franchisee and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Franchisee or any other Person or Entity, or applying or enforcing any security of the Franchise Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. Neither any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 20 of the Franchise Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantor's signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by the Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Guarantee would not be enforceable under the laws of California, and if the Franchised Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Los Angeles. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

Executed by or on behalf of Guarantors on the date set forth below.

By: _____

Date: _____

By: _____

Date: _____

PCJV USA, LLC
FRANCHISE AGREEMENT

EXHIBIT D
DEBIT AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned franchisee/depositor ("Depositor") hereby (1) authorizes PCJV USA, LLC and its Affiliates ("Franchisor") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below ("Depository") to debit such account pursuant to Franchisor's instructions.

_____ Depository	_____ Branch
_____ City and State	_____ Zip Code
_____ Bank Transit /ABA Number	_____ Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Franchisor and Depositor with thirty (30) days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or forty-five (45) days after posting, whichever comes first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error, and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws. Depositor shall be responsible for all charges assessed by Depository to process all debit entries and/or credit corrections entries to the undersigned's checking and/or savings account initiated by Franchisor. Franchisor will credit Depositor for fees if error is deemed to be caused by Franchisor.

DEPOSITOR (Print Name)

DEPOSITORY (Print Name)

By: _____

By: _____

Its: _____

Its: _____

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B
MULTI-UNIT DEVELOPMENT AGREEMENT

PCJV USA, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

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PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of the "Effective Date" set forth on Exhibit A, by and between PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), on the one hand, and the individuals or Entity identified as "Multi-Unit Developer" on Exhibit A, on the other hand, who are individually referred to in this Agreement as a "Party", and collectively referred to in this Agreement as "Parties", with reference to the following facts:

A.A. Franchisor and its affiliates have developed the "Potato Corner System" for the establishment and operation of restaurants ("Potato Corner Restaurants") that offer flavored French fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products (collectively, the "Potato Corner Menu Items") under the trade name and service mark "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks"). The Potato Corner Menu Items are prepared according to specified recipes and procedures and use high quality ingredients, including specially formulated and specially produced proprietary lines of flavoring and seasoning and other food products (collectively, the "Trade Secret Food Ingredients").

B. Franchisor desires to expand and develop Potato Corner Restaurants in the Development Area and Multi-Unit Developer desires to develop, Open, own and operate Potato Corner Restaurants in the Development Area under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. DEFINITIONS

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

"Affiliate" or "Affiliates" mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

"Applicable Law" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of Potato Corner Restaurants that are in effect on or after the Effective Date, as they may be amended from time to time.

"Business Judgment" means that Franchisor is allowed to exercise its judgment however Franchisor believes is appropriate in a given circumstance without limitation, subject to the use of that discretion in any reasonable way as more fully described in Section 18.162.

"Competitive Business" means any restaurant business that prepares, offers and sells flavored french fries, baked potatoes, hash browns, loopy fries and chicken tenders as its primary menu items and any business that looks like, copies, imitates, or operates with similar trade dress or décor to Potato Corner Restaurants.

"Constituents" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents,

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predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

“Default” means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Development Area” means the geographic area described on Exhibit A.

“Development Period” means each of the time periods indicated on Exhibit C during which Multi-Unit Developer shall have the right and obligation to construct, equip, Open and thereafter continue to operate Franchised Restaurants in accordance with the Minimum Development Obligation.

“Electronic Signature” means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

“Entity” means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual.

“Equity” means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

“Exclusive Development Fee” means the development fee payable to Franchisor by Multi-Unit Developer on the Effective Date in the amount set forth on Exhibit A, if and as applicable, for the exclusive license to develop, Open, own and operate the Franchised Restaurants in the Development Area.

“Expiration Date” means the tenth (10th) anniversary of the Effective Date, or the date Multi-Unit Developer Opens the last Franchised Restaurant necessary to satisfy the Minimum Development Obligation, whichever is earlier.

“Force Majeure” means any event (i) that was reasonably unforeseeable as of the Effective Date; (ii) that is beyond the reasonable control, directly or indirectly, of a Party; (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) that does not result from the fault or negligence of that Party or its agents, employees or contractors; and (v) that causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, “Force Majeure” includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action impacting restaurants generally; and (e) contagious diseases, epidemics, pandemics, transportation shortages, inadequate supply of labor, material or energy, or a Party foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Multi-Unit Developer by any lender, Landlord, contractor, or other Person, or Multi-Unit Developer’s financial inability to perform or Multi-Unit Developer’s insolvency, shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. An event of Force Majeure will not affect or change Franchisee’s

obligation to pay Royalty Fees, Marketing Fund Fees, Software License Fees or any other fees owed to Franchisor when due.

"Franchised Location" means the site of a Franchised Restaurant.

"Franchised Restaurant" means each Potato Corner Restaurant developed, owned and operated by Multi-Unit Developer under this Agreement and a Potato Corner Franchise Agreement.

"General Release" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"Good Standing" means Multi-Unit Developer is in substantial compliance with the material requirements of this Agreement, the Potato Corner Franchise Agreements, the Manuals and all other agreements then in effect between Franchisor or its Affiliates, and Multi-Unit Developer, and has substantially cured each curable Default for which Franchisor has issued a notice of Default to Multi-Unit Developer within the time periods set forth in Section 11.3.

"Governmental Authority" means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

"Gross Sales" means the total of all revenues derived from sales of any nature or kind whatsoever from the Franchised Restaurants during the Term, whether evidenced by cash, services, property, barter, or other means of exchange, including orders taken in or from a Franchised Restaurant although filled elsewhere and delivery and catering charges that are not included in the price of the Potato Corner Authorized Products. "Gross Sales" shall include the full value of drinks and snacks Multi-Unit Developer provides to its employees as incident to their employment (less the value of any discounts against Gross Sales given during the month in which the drinks and snacks were provided) and all proceeds from the sale of coupons, gift certificates or vouchers. "Gross Sales" shall exclude the amount of bona fide refunds paid to customers and the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates and vouchers when they are redeemed.

"Initial Franchise Fee" means the initial fee that Multi-Unit Developer must pay Franchisor for each Franchised Restaurant developed, Opened and operated by Multi-Unit Developer in the Development Area in the amounts set forth on Exhibit A.

"Landlord" means the owner of a Franchised Location who enters into a Lease with Multi-Unit Developer for a Franchised Location.

"Lease" means any agreement, however denominated, that allows Multi-Unit Developer to occupy a Franchised Location owned by a Landlord, including any lease, sublease, concession agreement, license and similar arrangement between Multi-Unit Developer and a Landlord.

"Manuals" means Franchisor's Operations Manuals, which may consist of one or more manuals, and any other written directive related to the Potato Corner System, as the same may be amended and revised from time to time,

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including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Minimum Development Obligation” means the Multi-Unit Developer’s right and obligation to construct, equip, Open and thereafter continue to operate at sites within the Development Area the cumulative number of Franchised Restaurants set forth in Exhibit C within each Development Period.

“Non-Exclusive Development Fee” means the development fee payable to Franchisor by Multi-Unit Developer on the Effective Date in the amount set forth on Exhibit A, if and as applicable, for the non-exclusive license to develop, Open, own and operate the Franchised Restaurants in the Development Area.

“Non-Proprietary Products” means the food and beverage products, condiments, drink ingredients, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Potato Corner Branded Products and Potato Corner Proprietary Products, that may or must be used, offered and sold at the Franchised Restaurants.

“Non-Traditional Venues” means a broad variety of atypical sites, including, without limitation, a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train and bus stations, travel plazas, toll road facilities and other transportation terminals, educational, food service fulfillment centers, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store), cafeterias and casinos, and any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider.

“Open” and “Opened” means that Multi-Unit Developer has actually begun to sell food products to the public from a Franchised Restaurant.

“Opening Date” means the day that (i) Multi-Unit Developer receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations at a Franchised Restaurant; and (ii) Multi-Unit Developer actually begins to offer Potato Corner Authorized Products for sale to the public from the Franchised Restaurant, whichever occurs last.

“Owner” means each of the individuals listed on Exhibit B and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Multi-Unit Developer who owns ten percent (10%) or more of the Equity of Multi-Unit Developer. If Multi-Unit Developer is an Entity, each Owner and each Owner’s spouse shall jointly and severally guarantee Multi-Unit Developer’s payment and performance of its obligations under this Agreement under a Guarantee in the form of Exhibit D.

“Person” means any natural person or Entity.

“Potato Corner Approved Suppliers” means suppliers of Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products, and ancillary services, food products, beverages, packaging, supplies, furniture, fixtures and equipment for Potato Corner Restaurants that have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for Potato Corner Restaurants meeting Franchisor’s specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability

with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Potato Corner Approved Suppliers.

“Potato Corner Authorized Products” means all Potato Corner Branded Products, Potato Corner Proprietary Products and Non-Proprietary Products offered for sale or used at Potato Corner Restaurants, as specified by Franchisor from time to time.

“Potato Corner Branded Products” means any product now existing or developed in the future that bears any of the Potato Corner Marks, including products that are prepared, sold and/or manufactured in strict accordance with Franchisor’s recipes, methods, standards and specifications, including, without limitation, pre-packaged food and beverage products, packaging, clothing, souvenirs and novelty items.

“Potato Corner Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to Multi-Unit Developer the right to develop, Open, own and operate a single Potato Corner Restaurant in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Potato Corner Proprietary Products” means only those food products, beverages, packaging and other products that are produced or manufactured strictly in accordance with Potato Corner Trade Secrets or that Franchisor otherwise designate as proprietary and include, without limitation, certain equipment, oil, french fries, small wares, sodas, other paper products, CCTV camera, accounting software, sour cream, cheese, sauces, dips, jalapeño, baked potatoes, chicken, seasonings, and Trade Secret Food Ingredients.

“Potato Corner System” means the system developed by Franchisor and the Operating Company that includes operating methods and business practices related to Potato Corner Restaurants, the relationship between Franchisor and its multi-unit developers and franchisees, including interior and exterior restaurant design; other items of trade dress; specifications of equipment, fixtures, and uniforms; defined product offerings; recipes and preparation methods; Franchisor specified pricing and promotions; standard operating and administrative procedures; restrictions on ownership; management and technical training programs; and marketing and public relations programs; all as Franchisor may modify the same from time to time.

“Potato Corner Trade Secrets” means proprietary and confidential information of Franchisor and the Operating Company, including, the Trade Secret Food Ingredients, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating Potato Corner Restaurants and producing Potato Corner Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that can be shown that was already lawfully in a third party’s possession before receipt from Franchisor.

“Principal Owner” means the individual designated by Multi-Unit Developer on Exhibit B, and accepted by Franchisor to serve as the primary operator of the Franchised Restaurants, to serve as the authorized representative of Multi-Unit Developer, who shall have at least a seventy percent (70%) interest in the Equity of Multi-Unit Developer, who shall act as Multi-Unit Developer’s representative in all matters with Franchisor, as Multi-Unit Developer’s liaison with Franchisor and the Owners, who shall have the authority to act on behalf of Multi-Unit Developer during the Term without the participation of any other Owner.

“Protected Area” means a geographic area designated in a Potato Corner Franchise Agreement within which neither Franchisor nor its Affiliates shall have the rights to develop, own and operate, or grant third parties the right to develop, own and operate, Potato Corner Restaurants.

“Renewal Fee” means 80% of the Development Fees and Initial Franchise Fees paid during the Term that Multi-Unit Developer must pay Franchisor to extend the Term for the Renewal Term.

“Renewal Rights” means the rights held by Multi-Unit Developer to renew this Agreement for the Renewal Term upon the expiration of the Term.

“Renewal Term” means the ten (10) year period beginning on the Expiration Date and ending on the Renewal Term Expiration Date.

“Renewal Term Expiration Date” means the last day of the Renewal Term.

“Restricted Person” means Multi-Unit Developer, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

“Term” means the ten (10) year period commencing on the Effective Date and ending on the Expiration Date, or the date Multi-Unit Developer Opens the last Franchised Restaurant necessary to satisfy the Minimum Development Obligation, whichever is earlier.

“Then-Current” means the form of agreement then-currently provided by Franchisor to similarly situated prospective Potato Corner multi-unit developers and franchisees which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion which previously has been delivered to and executed by a Potato Corner multi-unit developer or franchisee, or, as the context of this Agreement indicates, the fees then-currently charged by Franchisor or its Affiliates, or Franchisor’s specifications, standards or the like.

“Transfer Fee” means 80% of the Development Fees and Initial Franchise Fees paid during the Term that Multi-Unit Developer must pay Franchisor as a condition precedent to an Assignment of this Agreement.

“Venue” means any site other than a Non-Traditional Venue.

22. EXCLUSIVE OR NON-EXCLUSIVE LICENSE

22.11 Grant and Minimum Development Obligation. Franchisor hereby grants Multi-Unit Developer, and Multi-Unit Developer hereby accepts the right and obligation to use the Potato Corner Marks and the Potato Corner System to develop, Open, own and operate the Minimum Development Obligation of Franchised Restaurants set forth in Exhibit A only at the Venues in the Development Area designated on Exhibit A during the individual Development Periods listed on Exhibit C under the Development Schedule set forth on Exhibit C in accordance with the terms and conditions in this Agreement. Multi-Unit Developer may not develop, Open, own or operate more Franchised Restaurants in the Development Area than the Minimum Development Obligation during the Term. Multi-Unit Developer shall not subcontract, sublicense, share, divide or partition this Agreement and nothing in this Agreement will be construed as granting Multi-Unit Developer the right to do so. The Parties shall execute Franchisor’s Then-Current Potato Corner Franchise Agreement for each Franchised Restaurant to be developed, owned and operated by Multi-Unit Developer under this Agreement, the form of

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which may differ from the form of Potato Corner Franchise Agreement attached to Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to Multi-Unit Developer prior to the Effective Date.

22.22.1 If Multi-Unit Developer has been granted the exclusive rights to develop, Open, own and operate Franchised Restaurants at Venues in the Development Area designated "Exclusive" on Exhibit A (each, an "Exclusive Venue"), then except as otherwise provided in this Section 2.2.1 and Section 2.3, the rights granted to Multi-Unit Developer for each Exclusive Venue under this Agreement shall be exclusive during the Term so long as Multi-Unit Developer is in Good Standing and neither Franchisor nor any of its Affiliates shall themselves develop, own and operate, or grant third parties the right to develop, own and operate, Franchised Restaurants at an Exclusive Venue in the Development Area during that period of time that Multi-Unit Developer's rights are and remain exclusive. Multi-Unit Developer acknowledges the Development Area may be subject to pre-existing franchises granted prior to the Effective Date. The Development Area will not contain any areas granted to other franchisees prior to the Effective Date. Existing franchisees may renew or transfer the franchise rights previously granted to them under their Multi-Unit Development Agreements or Franchise Agreements. If Multi-Unit Developer fails to develop and Open any Franchised Restaurant in compliance with the Development Schedule, Multi-Unit Developer's rights to any Exclusive Venue in the Development Area shall automatically become non-exclusive as of the date that Multi-Unit Developer fails to Open any Franchised Restaurant, and Franchisor and its Affiliates shall thereafter have the rights to develop, own and operate, or grant third parties the rights to develop, own and operate, Potato Corner Restaurants in the Development Area without restriction, except in any Protected Area granted to Multi-Unit Developer under a Potato Corner Franchise Agreement for a Franchised Restaurant that Opened in compliance with the Development Schedule. If Multi-Unit Developer develops and Opens each Franchised Restaurant in compliance with the Development Schedule, Multi-Unit Developer's rights to each Exclusive Venue in the Development Area shall remain exclusive throughout the Term, subject to the remaining terms of this Agreement.

22.2.2 If Multi-Unit Developer has been granted the non-exclusive rights to develop, Open, own and operate Franchised Restaurants at Venues in the Development Area designated "Non-Exclusive" on Exhibit A (each, a "Non-Exclusive Venue"), the rights granted to Multi-Unit Developer for each Non-Exclusive Venue under this Agreement shall be non-exclusive during the Term, and Franchisor and its Affiliates shall have the rights to develop, own and operate, or grant third parties the rights to develop, own and operate, Potato Corner Restaurants in the Development Area without restriction, except in any Protected Area granted to Multi-Unit Developer under a Potato Corner Franchise Agreement for a Franchised Restaurant that Opened in compliance with the Development Schedule.

2.3 Reservation of Rights. Except as provided in Section 2.2, Franchisor expressly reserves all other rights, including the exclusive, unrestricted right, in its discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others, to (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, Potato Corner Restaurants outside the Development Area, regardless of their proximity to the Development Area; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, other than a Competitive Business, under marks and systems different from the Potato Corner Marks and the Potato Corner System within and outside the Development Area; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Potato Corner Branded Products within and outside the Development Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) market on the Internet and use the Potato Corner Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) deliver and/or to license to other Potato Corner Restaurants or third parties to deliver at any location within or outside of the Protected Area without compensation to Multi-Unit Developer.

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and to establish a delivery policy in the future which may restrict the delivery jurisdiction of Franchisor or of any Potato Corner multi-unit developers; (vi) develop, own or operate and to grant franchises or licenses others third parties to develop, own or operate Potato Corner Restaurants at any Non-Traditional Venue within and outside of the Development Area regardless of their proximity to any Potato Corner Restaurants developed or under development by Multi-Unit Developer; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Potato Corner Restaurants and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Potato Corner Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and ~~(ixviii)~~ engage in all other activities that this Agreement does not expressly prohibit.

2.4 Adherence to Development Schedule. Multi-Unit Developer shall satisfy the Minimum Development Obligation by Opening the number of Franchised Restaurants only at Venues in the Development Area within each Development Period as required by the Development Schedule and by continuing to operate the cumulative number of Franchised Restaurants required by the Minimum Development Obligation. Failure to comply with a scheduled Opening Date set forth in the Development Schedule shall constitute a Default under this Agreement, unless the Default results from an event of Force Majeure, in which case, the Opening Date may be extended by Franchisor as provided in Section 2.7.

2.5 Business Plan. Within sixty (60) days after the Effective Date, Multi-Unit Developer shall prepare and submit to Franchisor, in the form and format that Franchisor reasonably specifies, a business plan covering Multi-Unit Developer's development plans and projected operations under this Agreement. The business plan shall include detailed plans for locating sites in specific markets within the Development Area. Franchisor may (but shall have no obligation to), provide comments on the business plan, and Multi-Unit Developer shall incorporate Franchisor's comments (if any) into a revised business plan. Multi-Unit Developer shall update the business plan each year within thirty (30) days after the anniversary of the Effective Date and submit the updated business plan to Franchisor for review and comments. Multi-Unit Developer shall exert its best efforts to implement the business plan (as it is updated and revised) in accordance with this Agreement. Franchisor's comments to, or refusal to provide comments to, any business plan is not Franchisor's representation, express or implied, that the business plan is achievable or likely to be realized.

2.6 Closures and Assignments. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, if, during the Term, Multi-Unit Developer ceases to operate any Franchised Restaurant developed and Opened under this Agreement for any reason, Multi-Unit Developer must develop a replacement Franchised Restaurant to fulfill Multi-Unit Developer's obligation to have Open and in operation the required number of Franchised Restaurants at the expiration of each Development Period. The replacement Franchised Restaurants must be Opened within twelve (12) months after the closing of the Franchised Restaurant that will be replaced. Franchised Restaurants that are Open and operating that are assigned to Affiliates of Multi-Unit Developer with Franchisor's consent, shall count in determining whether Multi-Unit Developer has satisfied the Minimum Development Obligation for so long as the applicable Affiliate continues to comply with the terms of this Agreement and all applicable Potato Corner Franchise Agreements to which it is a party.

2.7 Force Majeure. Neither Party will be in Default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure. If Multi-Unit Developer is unable to meet the Minimum Development Obligation for any Development Period solely as the result of Force Majeure

or any legal disability of Franchisor to deliver a Disclosure Document pursuant to Section 5.4, which results in the inability of Multi-Unit Developer to construct and Open the Franchised Restaurants as required by this Agreement, Multi-Unit Developer shall provide Franchisor, within five (5) days after the occurrence of an event that Multi-Unit Developer believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Multi-Unit Developer's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. If Franchisor determines that the Default is the result of an event of Force Majeure, the required date for performance by Multi-Unit Developer shall be extended by the number of days equal to the number of days that the Force Majeure exists. Multi-Unit Developer shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Multi-Unit Developer's progress and diligence in responding to and overcoming the event of Force Majeure.

2.8 No Rights to Use the Potato Corner Marks or Potato Corner System. This Agreement is not a Potato Corner Franchise Agreement, and does not grant Multi-Unit Developer any right to use the Potato Corner Marks or the Potato Corner System or to sell or distribute any Potato Corner Authorized Products. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Multi-Unit Developer's rights to use the Potato Corner Marks and the Potato Corner System will be granted to Multi-Unit Developer solely under the terms of a Potato Corner Franchise Agreement.

3. TERM AND RENEWAL TERM

3.1 Term. The Term shall commence on the Effective Date and shall expire on the Expiration Date.

3.2 Renewal Rights. If Multi-Unit Developer satisfies the Minimum Development Obligation before the Expiration Date and desires to engage in further development of Potato Corner Restaurants in the Development Area following the Expiration Date, Multi-Unit Developer shall have the right to extend the Term of this Agreement for an additional ten (10) years on the terms and conditions set forth in this Section 3.2. Multi-Unit Developer shall, no later than one hundred eighty (180) days prior to the Expiration Date, notify Franchisor in writing (the "Renewal Notice") that Multi-Unit Developer desires to extend the Term and provide Franchisor with a plan for the development of additional Potato Corner Restaurants in the Development Area (the "Renewal Development Obligation"), setting forth the number of additional Potato Corner Restaurants proposed to be Opened by Multi-Unit Developer during the Renewal Term, the proposed fees payable to Franchisor for each Potato Corner Restaurant proposed to be Opened during the Renewal Term and the proposed Opening Dates for each Potato Corner Restaurant during the Renewal Term. The Renewal Rights may be renewed by Multi-Unit Developer only if all conditions precedent set forth in this Article 3 are satisfied prior to the Expiration Date. If Multi-Unit Developer does not elect to extend the Term in accordance with this Section 3.2, this Agreement shall expire on the Expiration Date. If Multi-Unit Developer exercises its rights to renew this Agreement, this Agreement shall expire on the Renewal Term Expiration Date, unless terminated sooner in accordance with the terms of this Agreement. Except as provided in this Section 3.2, this Agreement is not otherwise renewable.

3.3 Renewal Development Obligation. If the Renewal Development Obligation proposed by the Renewal Development Notice is unacceptable to Franchisor in any respect, Franchisor and Multi-Unit Developer shall negotiate during the following sixty (60) day period to agree upon an acceptable Renewal Development Obligation. If the Renewal Development Obligation proposed by Multi-Unit Developer is acceptable to Franchisor, or if Franchisor and Multi-Unit Developer reach agreement on an alternative Renewal Development Obligation within the sixty (60) day period after the date of the Renewal Notice, Franchisor shall deliver to Multi-Unit Developer its Then-Current form of Multi-Unit Development Agreement (the "Renewal Multi-Unit Development Agreement") extending the Term for the Renewal Term and setting forth the agreed upon Renewal Development Obligation. Within thirty (30) days after Multi-Unit Developer's receipt of the Renewal Multi-Unit

Development Agreement, Multi-Unit Developer shall execute the Renewal Multi-Unit Development Agreement and return it to Franchisor. If Multi-Unit Developer has so executed and returned the Renewal Multi-Unit Development Agreement and has satisfied the conditions precedent set forth in this Article 3, Franchisor shall execute the Renewal Multi-Unit Development Agreement and return a fully executed copy to Multi-Unit Developer. Multi-Unit Developer shall execute Franchisor's Then-Current Franchise Agreement and shall pay Franchisor its Then-Current initial franchise fee for each Franchised Restaurant to be developed by Multi-Unit Developer under the Renewal Development Obligation.

3.4 Conditions to Renewal. Franchisor shall execute the Renewal Multi-Unit Development Agreement if, and only if (i) Multi-Unit Developer has fully performed all of its obligations under this Agreement and all other agreements between the Parties and is in Good Standing on the date of the Renewal Notice, on the date of Franchisor's execution of the Renewal Multi-Unit Development Agreement and on the Expiration Date; (ii) Multi-Unit Developer has demonstrated Multi-Unit Developer's Then-Current financial ability to implement and complete the Renewal Development Obligation; (iii) Multi-Unit Developer has Opened and continues to operate no less than the aggregate number of Franchised Restaurants required by the Minimum Development Obligation in compliance with the Development Schedule; (iv) Multi-Unit Developer has executed the Renewal Multi-Unit Development Agreement and delivered it to Franchisor; (v) Multi-Unit Developer executes and delivers to a General Release to Franchisor in a form acceptable to Franchisor; and (vi) Multi-Unit Developer has paid Franchisor the Renewal Fee in the amount set forth on Exhibit A when Multi-Unit Developer issues the Renewal Notice to Franchisor.

3.5 Effect of Expiration. If the conditions set forth in this Article 3 are not satisfied before the Expiration Date, (i) Multi-Unit Developer shall have no further right to develop additional Potato Corner Restaurants in the Development Area and no further rights or obligations under this Agreement; (ii) Multi-Unit Developer shall have the right to continue to own and operate all Franchised Restaurants Opened by Multi-Unit Developer prior to the Expiration Date under Potato Corner Franchise Agreements with Franchisor that remain in full force and effect on the Expiration Date; and (iii) Franchisor, may, but shall not be required to, develop, own and operate, and grant franchises to third parties to develop, own and operate Potato Corner Restaurants at any location within or outside of the Development Area, without restriction.

4. PAYMENTS BY MULTI-UNIT DEVELOPER

4.1 Development Fees. On the Effective Date, shall pay the Exclusive Development Fee or, if applicable, the Non-Exclusive Development Fee, to Franchisor for the rights granted to Multi-Unit Developer under this Agreement by a wire transfer of immediately available funds to a bank account designated by Franchisor. The Exclusive Development Fee and Non-Exclusive Development Fee are fully earned by Franchisor when paid and are nonrefundable, in whole or in part, under any circumstances.

4.2 Initial Franchise Fees. Multi-Unit Developer shall pay Franchisor an Initial Franchise Fee for each Franchised Restaurant to be operated under this Agreement. Multi-Unit Developer shall then sign the Franchise Agreement for the first Franchised Restaurant and pay Franchisor an Initial Franchise Fee when Multi-Unit Developer signs this Agreement. The Initial Franchise Fee for each additional Franchised Restaurant shall be payable upon execution by Multi-Unit Developer of each Potato Corner Franchise Agreement entered into for a Franchised Restaurant under this Agreement for each Franchised Restaurant. The Initial Franchise Fee for each Franchised Restaurant shall be paid by a wire transfer of immediately available funds to a bank account designated by Franchisor and is fully earned by Franchisor when paid and non-refundable, in whole or in part, under any circumstances.

5. INITIAL SERVICES AND ONGOING OBLIGATIONS OF FRANCHISOR

5.1 Limited Obligations. Multi-Unit Developer acknowledges and agrees that Franchisor's obligations under this Agreement are limited to identifying the Development Area and that Franchisor has no ongoing obligations for training or operational support for Multi-Unit Developer under this Agreement, or for assisting Multi-Unit Developer in selecting acceptable Venues for each Franchised Restaurant to be developed under this Agreement. All initial and continuing obligations of Franchisor to Multi-Unit Developer shall be provided by Franchisor under Franchisor's Then-Current Franchise Agreement for each Franchised Restaurant to be developed and opened in the Development Area by Multi-Unit Developer.

5.2 Franchised Locations. Multi-Unit Developer shall, at all times during the Term, exert Multi-Unit Developer's best efforts to diligently identify proposed sites for the Franchised Restaurants. When Multi-Unit Developer identifies a proposed site for a Franchised Restaurant, Multi-Unit Developer shall submit to Franchisor all demographic and other information regarding the proposed site and neighboring areas that Franchisor shall require, in the form prescribed by Franchisor, and shall request Franchisor to consider and approve the site. If Franchisor accepts a proposed site, Franchisor shall notify Multi-Unit Developer of its acceptance of the Franchised Location. Multi-Unit Developer acknowledges and agrees that it is Multi-Unit Developer's sole responsibility to identify and obtain each Franchised Location for the Franchised Restaurants to be developed under this Agreement. Multi-Unit Developer further acknowledges and agrees that it is Multi-Unit Developer's sole responsibility to review and approve each Lease or purchase agreement for each Franchised Restaurant to be developed under this Agreement. Each Lease shall comply with the requirements set forth in Sections 5.1 and 5.2 of Franchisor's current Potato Corner Franchise Agreement. Following Franchisor's approval of a Franchised Location, Multi-Unit Developer shall execute Franchisor's Then-Current Franchise Agreement for the Franchised Restaurant to be located at the Franchised Location and return it to Franchisor within thirty (30) days after receipt of the execution copies of the Then-Current Franchise Agreement together with the applicable Initial Franchise Fee. If Multi-Unit Developer has executed and returned the signed Then-Current Franchise Agreement and paid Franchisor the Initial Franchise Fee, Franchisor shall execute the Franchise Agreement and return one (1) fully executed copy of the Franchise Agreement to Multi-Unit Developer.

5.3 Conditions to Franchisor's Obligations. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Multi-Unit Developer acknowledges and agrees that, as a condition precedent to Multi-Unit Developer's right to develop each Franchised Restaurant, all of the following conditions precedent must be satisfied and Franchisor shall execute a Then-Current Franchise Agreement for each Franchised Restaurant if, and only if (i) Multi-Unit Developer has fully performed all of its obligations under this Agreement and all other agreements between Franchisor and Multi-Unit Developer and is in Good Standing on the date of Franchisor's execution of a Franchise Agreement; (ii) Multi-Unit Developer demonstrates Multi-Unit Developer's Then-Current financial ability to implement and complete the construction and Opening of the Franchised Restaurants; (iii) Multi-Unit Developer has Opened and continues to operate no less than the aggregate number of Franchised Restaurants required by the Minimum Development Obligation in compliance with the Development Schedule; (iv) Multi-Unit Developer has executed a Then-Current Franchise Agreement and delivered it to Franchisor; (v) Multi-Unit Developer executes and delivers a General Release to Franchisor in a form acceptable to Franchisor; and (vi) Multi-Unit Developer has paid Franchisor the Initial Franchise Fee when Multi-Unit Developer executed the Franchise Agreement and returned it to Franchisor.

5.4 Delegation of Duties. Multi-Unit Developer acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

6. OBLIGATIONS OF MULTI-UNIT DEVELOPER

To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same:

6.1+ Development and Operation of Franchised Restaurants. Multi-Unit Developer shall, at all times during the Term, exert Multi-Unit Developer's best efforts to faithfully, honestly and diligently develop, Open and operate the number of Franchised Restaurants in the Development Area in order to satisfy the Minimum Development Obligation and the Development Schedule in accordance with the requirements of this Agreement and each Potato Corner Franchise Agreement for each Franchised Restaurant.

6.2 Potato Corner System. Multi-Unit Developer shall operate the Franchised Restaurants in compliance with the terms of the Potato Corner Franchise Agreements and the Manuals. Multi-Unit Developer acknowledges and agrees that Multi-Unit Developer alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Restaurants, including over Multi-Unit Developer's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Multi-Unit Developer further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Potato Corner System that Multi-Unit Developer must comply with under the Franchise Agreements, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Restaurants, which Multi-Unit Developer alone controls, but only constitute standards to which Multi-Unit Developer must adhere when exercising Multi-Unit Developer's control over the day-to-day operations of the Franchised Restaurants consistent with the policies of Franchisor. Multi-Unit Developer shall comply with each Potato Corner Franchise Agreement and shall develop and operate the Franchised Restaurants in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Since every detail of the Potato Corner System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by Franchised Restaurants under the Potato Corner System and to protect the Potato Corner Marks and Franchisor's reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Potato Corner System suggested by Multi-Unit Developer that is reasonably likely to have an adverse material effect on the Potato Corner System, the Potato Corner Marks or Franchisor's reputation or goodwill.

7. POTATO CORNER MARKS

Franchisor and its Affiliates continue to develop, use and control the use of the Potato Corner Marks in order to identify for the public the source of services and products marketed under the Potato Corner Marks and the Potato Corner System, and to represent the Potato Corner System's high standards of quality, appearance and service. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same:

7.1+ Ownership and Goodwill of Potato Corner Marks. Multi-Unit Developer acknowledges that its right to use the Potato Corner Marks is derived solely from the Potato Corner Franchise Agreements between

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Multi-Unit Developer and Franchisor. Any unauthorized use of the Potato Corner Marks by Multi-Unit Developer shall constitute a Default under this Agreement and an infringement of Franchisor's and Franchisor's Affiliate's rights in and to the Potato Corner Marks. Multi-Unit Developer acknowledges and agrees that as between the Parties (i) Franchisor owns the Potato Corner Marks and the Potato Corner System; (ii) Multi-Unit Developer owns no goodwill or rights in the Potato Corner Marks or the Potato Corner System except for the license granted by this Agreement; and (iii) Multi-Unit Developer's use of the Potato Corner Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Multi-Unit Developer agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Potato Corner Marks or the Potato Corner System either during the Term or after this Agreement terminates or expires.

7.22 Limitations on Use. If Multi-Unit Developer is an Entity, Multi-Unit Developer shall not use the Potato Corner Marks, or Franchisor's trade name, or any words or symbols which are confusingly phonetically or visually similar to the Potato Corner Marks, as all or part of Multi-Unit Developer's name. In addition, Multi-Unit Developer shall not use any Potato Corner Mark (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Multi-Unit Developer under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; or (iv) in any other manner not expressly authorized in writing by Franchisor. Multi-Unit Developer shall give all notices of trademark and service mark registration as Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under applicable law. Multi-Unit Developer further agrees that no service mark other than "Potato Corner" or other Potato Corner Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Restaurants.

7.3 Internet. Multi-Unit Developer shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, web site, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Potato Corner Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Multi-Unit Developer shall not separately register any domain name or any portion of any domain name containing the Potato Corner Marks or participate or market on any web site or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms or other forms of electronic media not yet developed) using the Potato Corner Marks without Franchisor's prior written consent. Multi-Unit Developer's general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Multi-Unit Developer commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Multi-Unit Developer.

8. CONFIDENTIAL INFORMATION

8.14 Potato Corner Confidential Information. Multi-Unit Developer acknowledges and agrees that the Potato Corner System is comprised of confidential information that has been developed by Franchisor and the Operating Company by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and the Operating Company and their Affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, recipes, Franchisor's specially formulated and specially produced proprietary lines of flavoring and seasoning and the

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Trade Secret Food Ingredients, cooking techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories, prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, Persons or Entities, knowledge or know-how concerning the methods of operation of the Franchised Restaurant which may be communicated to Multi-Unit Developer, or of which Multi-Unit Developer may be apprised under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "Potato Corner Confidential Information"). Potato Corner Confidential Information does not include any information that was in the lawful and unrestricted possession of Multi-Unit Developer prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Multi-Unit Developer after receiving it; has been received lawfully and in good faith by Multi-Unit Developer from a third party who did not derive it from Franchisor or Multi-Unit Developer; or is shown by acceptable evidence to have been independently developed by Multi-Unit Developer.

8.2 Value. Multi-Unit Developer acknowledges and agrees the Potato Corner Confidential Information is not generally known by the public or parties other than Franchisor, its Affiliates, its franchisees and Multi-Unit Developer; derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor, its franchisees or Multi-Unit Developer; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Potato Corner Confidential Information, including, without limitation (i) not revealing the Potato Corner Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Potato Corner Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Potato Corner Confidential Information; (iv) monitoring electronic access to the Potato Corner Confidential Information by the use of passwords and other restrictions so that electronic access to the Potato Corner Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Potato Corner Confidential Information to Franchisor upon the termination or expiration of their Potato Corner Franchise Agreements.

8.3 Maintain Confidentiality. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Multi-Unit Developer shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Potato Corner Confidential Information. Multi-Unit Developer shall divulge such Potato Corner Confidential Information only to its supervisory or managerial personnel who must have access to it in order to perform their employment responsibilities.

8.4 Irreparable Injury from Disclosure of Potato Corner Confidential Information. Multi-Unit Developer acknowledges that failure to comply with the requirements of this Section 8 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Multi-Unit Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 8.4.

8.5 Confidentiality Covenants from Individuals Associated with Multi-Unit Developer. Multi-Unit Developer shall require any supervisory or managerial personnel who may have access to any Potato Corner Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Potato Corner Confidential Information they receive in connection with their association with Multi-Unit Developer. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

8.6 No Restriction. Nothing in this Article 8 is intended to prohibit or restrict any activity which prohibition or restriction violates Multi-Unit Developer's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

9. TRANSFER OF INTEREST

9.1 Transfer by Franchisor.

9.1.1 Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Multi-Unit Developer. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Potato Corner Marks, or the Potato Corner System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (collectively, a "Capital Event"), all without the consent or approval of Multi-Unit Developer. In connection with any of the foregoing, at Franchisor's request, Multi-Unit Developer shall deliver to Franchisor a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect and identifying the modifications); (b) that Multi-Unit Developer is not in default under any provision of this Agreement, or if in default, describing the nature thereof in detail; and (c) as to such other matters as Franchisor may reasonably request; and Multi-Unit Developer agrees that any such statements may be relied upon by Franchisor and any prospective purchaser, assignee or lender of Franchisor.

9.1.2 Upon the occurrence of a Capital Event, Franchisor shall have the right (the "Take-Along Right") to compel Multi-Unit Developer to sell and, in such event, Multi-Unit Developer shall sell the assets of any or all of the Franchised Restaurants, regardless of whether such Franchised Restaurants are under construction or are Open and operating (collectively the "Take-Along Assets") at the same value attributable to Franchised Restaurants owned and operated by Franchisor or its Affiliates at the closing of a Capital Event. Franchisor shall exercise this Take-Along Right to compel the sale of the Take-Along Assets by Multi-Unit Developer by providing Multi-Unit Developer with written notice (the "Take-Along Notice") setting forth the time and place of the closing of the Capital Event, which time and place shall not be less than thirty (30) days after

the date of the Take-Along Notice, and the expected price and form of consideration to be paid for the Take-Along Assets at the closing.

9.2 Assignment by Multi-Unit Developer. Multi-Unit Developer acknowledges and agrees that the rights granted to Multi-Unit Developer under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Multi-Unit Developer and, if Multi-Unit Developer is an Entity, that of the Owners. Accordingly, to protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, Multi-Unit Developer shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Multi-Unit Developer's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Multi-Unit Developer acknowledges and agrees that Multi-Unit Developer has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly (i) any interest in this Agreement; or (ii) the right to use the Potato Corner System or the Potato Corner Marks granted pursuant to this Agreement (an "Assignment") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Multi-Unit Developer satisfies the conditions to the Assignment identified in this Agreement.

9.2.1 Unless the Parties otherwise agree in writing, Multi-Unit Developer shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all Franchised Restaurants then owned and operated by Multi-Unit Developer in the Development Area. As a condition to Franchisor's consent to such an Assignment, the assignee must execute Franchisor's Then-Current form of Potato Corner Franchise Agreement for each Franchised Restaurant sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Multi-Unit Developer shall not offer for sale or transfer at public or private auction any of the rights of Multi-Unit Developer under this Agreement; and (ii) Multi-Unit Developer shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Multi-Unit Developer shall provide not less than ten (10) days prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

9.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to Assignment identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Multi-Unit Developer pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the Equity or voting power of Multi-Unit Developer, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Multi-Unit Developer; (iv) the issuance of any securities by Multi-Unit Developer which itself or in combination with any other transactions results in the Owners, as constituted on the Execution Date, owning less than seventy percent (70%) of the outstanding Equity or voting power of Multi-Unit Developer; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Multi-Unit Developer, however effected. Multi-Unit Developer shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Multi-Unit Developer Owner of any direct or indirect Equity or voting rights in Multi-Unit Developer, notwithstanding that the same may not constitute an "Assignment" as defined under this Article 9.

9.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Multi-Unit Developer of all of Multi-Unit Developer's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the Equity or voting interests of the new business Entity are owned by the same Owners (a "Qualified Assignment"). Any attempted or purported Assignment which fails to comply with the requirements of this Article 9 shall be null and void and shall constitute a Default under this Agreement.

9.3. Right of First Refusal. Except with respect to a "Qualified Assignment", if Multi-Unit Developer or an Owner receive a bona fide written offer ("Third Party Offer") from a third party (the "Proposed Buyer") to purchase or otherwise acquire any interest in Multi-Unit Developer which will result in an Assignment within the meaning of this Agreement, Multi-Unit Developer or the Proposed Buyer, shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to all of the Franchised Restaurants then owned and operated by Multi-Unit Developer in the Development Area.

9.3.1 Multi-Unit Developer, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed assignment or that Franchisor requests.

9.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("Purchase Notice") given to Multi-Unit Developer or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Multi-Unit Developer or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer; and (ii) deduct from the purchase price the amount of all amounts then due and owing from Multi-Unit Developer to Franchisor under this Agreement or otherwise. If Franchisor believes the Third Party Offer does not reflect the fair market value of the Multi-Unit Developer, Franchisor may exercise its rights under this Section 9.3 to purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except the purchase price shall be at the cost or fair market value of the rights, assets, Equity or interests proposed to be assigned, whichever is less. If the Parties cannot agree on the cost and/or fair market value within thirty (30) days after Multi-Unit Developer's receipt of the Purchase Notice, an independent appraiser acceptable to Multi-Unit Developer shall be designated by Franchisor. The appraiser's determination shall be binding on the Parties. The Parties will share the cost of the appraiser equally.

9.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

9.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Multi-Unit Developer. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 9.3.

9.4 Conditions of Assignment to Third Party. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

9.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new Potato Corner ~~m~~Multi-~~u~~Unit ~~d~~Developers, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation;

9.4.2 Multi-Unit Developer must be in Good Standing on the date consent is requested and until the date of closing of the Assignment;

9.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Multi-Unit Developer or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties;

9.4.4 The Proposed Buyer must sign Franchisor's Then-Current form of Multi-Unit Development Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects. In exchange for signing the Then-Current Multi-Unit Development Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement, as modified by the terms of the Then-Current form of Multi-Unit Development Agreement. If Franchisor is not offering new Multi-Unit Development franchises, is in the process of revising, amending or renewing Franchisor's form of Multi-Unit Development Agreement or Disclosure Document or is not lawfully able to offer Franchisor's Then-Current form of Multi-Unit Development Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the term of this Agreement on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Multi-Unit Development Agreement;

9.4.5 Multi-Unit Developer will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the Assignment, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Potato Corner Confidential Information;

9.4.6 Multi-Unit Developer and the Proposed Buyer shall execute a General Release in a form acceptable to Franchisor;

9.4.7 Multi-Unit Developer shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment;

9.4.8 Multi-Unit Developer must simultaneously transfer its rights all contracts for which continuation is necessary for operation of the Franchised Restaurants to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Multi-Unit Developer's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained. If the Proposed Buyer is a corporation, limited liability company or other business Entity, each Person, and their spouse, who at the time of the Assignment, or later, owns or acquires, either legally or beneficially, ten percent

(10%) or more of the Equity or voting interests of the Proposed Buyer must execute a Guarantee in a form acceptable to Franchisor;

9.4.9 Multi-Unit Developer's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Multi-Unit Developer and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Multi-Unit Developer only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied;

9.4.10 Except when the transferee is an existing Multi-Unit Developer or franchisee of Franchisor, the Proposed Buyer, and a supervisory or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Restaurants who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

9.4.11 The Proposed Buyer must conform the Franchised Restaurants with Franchisor's Then-Current appearance and design standards and equipment specifications applicable to new Potato Corner Restaurants; and

9.4.12 Multi-Unit Developer must sign a guarantee personally guaranteeing the Proposed Buyer's obligations under the new Multi-Unit Development Agreement in favor of Franchisor.

9.5 Death or Incapacity. In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Person, or the remaining shareholders, members, partners or owners (the "Successor") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Person; or (ii) complete an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party, subject to the provisions of this Article 9. If a Successor has not purchased the interest of the deceased or incapacitated Person or completed an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

9.6 Restriction on Publicly Traded and Private Securities. Securities, partnership or other ownership interests in Multi-Unit Developer may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation, nor may such interests be offered by private offering or otherwise, without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to use. No offering by Multi-Unit Developer shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Multi-Unit Developer or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the

relationship between Multi-Unit Developer and Franchisor, and its Affiliates. Franchisor may, at its option, require Multi-Unit Developer's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Multi-Unit Developer, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Multi-Unit Developer shall pay to Franchisor a non-refundable fee of \$10,000, which shall be in addition to any Transfer Fee under any Potato Corner Franchise Agreement and/or Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Multi-Unit Developer shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article 9.

10. TRANSFER BY MULTI-UNIT DEVELOPER IN BANKRUPTCY

If, for any reason, this Agreement is not terminated pursuant to Section 11.1 and this Agreement is assumed, or Assignment of the same to any Person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Multi-Unit Developer out of the consideration to be paid by the assignee for the Assignment of this Agreement.

11. DEFAULT AND TERMINATION

11.1 Termination On Multi-Unit Developer's Bankruptcy or Insolvency. Multi-Unit Developer shall be deemed to be in Default under this Agreement, and all rights granted to Multi-Unit Developer of this Agreement shall automatically terminate without notice to Multi-Unit Developer (i) if Multi-Unit Developer or its Principal Owner becomes insolvent or makes a general assignment for the benefit of creditors; (ii) if a petition in bankruptcy is filed under the United States Bankruptcy Act by Multi-Unit Developer or its Principal Owner or such a petition is filed against and not opposed by Multi-Unit Developer or its Principal Owner; (iii) if Multi-Unit Developer or its Principal Owner is adjudicated as bankrupt or insolvent; (iv) if a bill in equity or other proceeding for the appointment of a receiver of Multi-Unit Developer or its Principal Owner or other custodian for any Franchised Restaurant is filed and consented to by Multi-Unit Developer or its Principal Owner; (v) if a receiver or other custodian (permanent or temporary) of Multi-Unit Developer's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Multi-Unit Developer or its Principal Owner; (vii) if a final judgment in excess of \$100,000 against any Franchised Restaurants remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) if Multi-Unit Developer or its Principal Owner admits Multi-Unit Developer or its Principal Owner is unable to generally pay

Multi-Unit Developer's or its Principal Owner's debts as they become due; (ix) if execution is levied against any Franchised Restaurant or property; (x) if suit to foreclose any lien or mortgage against any Franchised Restaurant or the equipment of any Franchised Restaurant is instituted against Multi-Unit Developer or its Principal Owner and not dismissed within thirty (30) days; or (xi) if any Franchised Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 Termination With Notice and Without Opportunity to Cure. Multi-Unit Developer shall be in Default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Multi-Unit Developer any opportunity to cure the Default, effective immediately upon receipt of notice by Multi-Unit Developer (i) if Multi-Unit Developer or an Owner is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the Potato Corner System, the Potato Corner Marks, the goodwill associated therewith, or Franchisor's interest therein; (ii) if Multi-Unit Developer fails to Open any Franchised Restaurant within the Development Schedule in any Non-Exclusive Venue; (iii) if any of the Potato Corner Franchise Agreements or any other agreement between Multi-Unit Developer and Franchisor or its Affiliates are terminated due to a Default by Multi-Unit Developer; (iv) if any purported assignment or transfer of any direct or indirect interest in this Agreement, in the Franchised Restaurants, or in all or substantially all of Multi-Unit Developer's assets is made to any third party by Multi-Unit Developer or an Owner without Franchisor's prior written consent; (v) if any Assignment of the Equity ownership interests of Multi-Unit Developer or an Owner is made to any third party without Franchisor's prior written consent; (vi) if Multi-Unit Developer or an Owner discloses or divulges the contents of Franchisor's Manuals, Potato Corner Trade Secrets or other Potato Corner Confidential Information provided to Multi-Unit Developer by Franchisor; (vii) if an approved Assignment, as required by Section 9.5, is not effected within the time provided following death or incapacity of an Owner; (viii) if Multi-Unit Developer or an Owner fails to comply with the covenants in Article 13 or fails to obtain execution of and deliver the covenants required under Section 13.7; (ix) if Multi-Unit Developer or an Owner has made any material misrepresentations in connection with their application to Franchisor for the development rights granted by this Agreement; (x) if Multi-Unit Developer or an Owner, after curing a Default pursuant to Section 11.3, commits the same, similar, or different Default, whether or not cured after notice; (xi) if any Owner fails or refuses to deliver to Franchisor, within ten (10) days after Franchisor's written request, a Guarantee in substantially the form attached to this Agreement as Exhibit D and current financial statements as may from time to time be requested by Franchisor; (xii) if Multi-Unit Developer, an Owner or an Affiliate fails to comply with any or all of the terms of this Agreement, or any other agreement between Franchisor, or its Affiliates, and Multi-Unit Developer or an Owner beyond the applicable cure period; (xiii) upon a Default of Multi-Unit Developer's obligations under this Agreement or any other agreement between Multi-Unit Developer and Franchisor, which by its nature is not capable of being cured by Multi-Unit Developer, (xiv) if funding promised or otherwise represented to be made available to Multi-Unit Developer or its Owners on the condition that Multi-Unit Developer sign this Agreement is not made available to Multi-Unit Developer or its Owners within ten (10) business days after Multi-Unit Developer signs this Agreement, (xv) if, in Franchisor's Business Judgment, Franchisor has grounds to believe that Multi-Unit Developer or any of its Owners, officers, directors, or key employees has engaged or attempted to engage, through one or more affirmative acts or a failure to act, in any fraudulent, dishonest, unethical, immoral, or similar conduct in connection with Multi-Unit Developer's development of Franchised Restaurants, whether such conduct is directed at or reasonably expected to impact Multi-Unit Developer's development of Franchised Restaurants, the Potato Corner System, the Franchisor or its Affiliates, suppliers, other multi-unit developers, or another third party, or (xvi) if, in Franchisor's Business Judgment, Franchisor has grounds to believe that Multi-Unit Developer or any of its Owners, officers, or directors has engaged in any lewd or immoral conduct, whether or not in connection with Multi-Unit Developer's development of Franchised Restaurants.

11.3 Termination With Notice and Opportunity to Cure. Except as provided in Section 11.1 and Section 11.2, Multi-Unit Developer shall have thirty (30) days after its receipt of written notice from Franchisor within which to remedy any Default under this Agreement and to provide evidence thereof to Franchisor. If any such Default is not cured within the specified time, or such longer period as Applicable Law may require, this Agreement shall terminate without further notice to Multi-Unit Developer effective immediately upon expiration of the thirty (30) day period or such longer period as Applicable Law may require. Multi-Unit Developer shall be in Default pursuant to this Section 11.3 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Manuals, or for failure to carry out the terms of this Agreement in good faith.

11.4 Options At Termination. Upon any Default under Section 11.2 or Section 11.3, Franchisor may immediately take any one or more of the following actions, by written notice to Multi-Unit Developer: (i) terminate this Agreement and all rights granted to Multi-Unit Developer under this Agreement; (ii) accelerate or decelerate the Development Schedule; (iii) reduce the Minimum Development Obligation; (iv) eliminate or diminish Multi-Unit Developer's rights with respect to the Development Area or the size of the Development Area; or (v) increase the fees to be paid by Multi-Unit Developer to Franchisor.

11.5 Cross-Default. Any Default by Multi-Unit Developer under the terms and conditions of this Agreement, any Potato Corner Franchise Agreement, or any other agreement between Franchisor, or its Affiliates, and Multi-Unit Developer, shall be deemed to be a Default of each and every other such agreement. In the event of the termination of this Agreement for any cause, or the termination of any other agreement between Franchisor, or its Affiliates, and Multi-Unit Developer, Franchisor may, at its option, terminate any or all of such other agreements.

12. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Multi-Unit Developer shall forthwith terminate, and the following provisions shall apply:

12.1 No Right to Open Additional Restaurants. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, upon termination or expiration of this Agreement: (i) Multi-Unit Developer shall have no further right to develop any Potato Corner Restaurants; (ii) Multi-Unit Developer shall have no further rights or obligations under this Agreement or the Potato Corner Franchise Agreements that were terminated; (iii) Multi-Unit Developer shall have the right to continue to own and operate all Franchised Restaurants Opened by Multi-Unit Developer prior to the termination date under Potato Corner Franchise Agreements with Franchisor that remain in full force and effect on the termination date; and (iv) Franchisor may thereafter develop, own and operate, and grant franchises to third parties to develop, own and operate Potato Corner Restaurants at any location within or outside of the Development Area, without restriction.

12.2 Payment of Monies Due. Upon termination or expiration of this Agreement, Multi-Unit Developer shall promptly pay all sums owing to Franchisor and its Affiliates. If this Agreement is terminated because of a Default by Multi-Unit Developer, such sums also shall include all damages, costs, and expenses, including attorneys' fees, incurred by Franchisor as a result of the Default. Franchisor shall have the right to set off any amounts which Franchisor deems are payable to Franchisor by Multi-Unit Developer.

12.3 Return of Materials and Information. Upon termination or expiration of this Agreement, Multi-Unit Developer shall immediately deliver to Franchisor the Manuals and all other records, files, and any

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instructions containing Potato Corner Confidential Information which are in Multi-Unit Developer's possession and all copies thereof (all of which are acknowledged to be the property of Franchisor).

13. COVENANTS

13.1 No Prior Experience, Information or Knowledge. Multi-Unit Developer specifically acknowledges and agrees that prior to becoming a multi-unit developer of Franchisor, Multi-Unit Developer had no experience, information or knowledge whatsoever about restaurants that offer flavored French fries, baked potatoes, hash browns, loopy fries and related food and beverage products or a Potato Corner Restaurant and that Multi-Unit Developer's knowledge of the Potato Corner Confidential Information was obtained solely from Franchisor, following Multi-Unit Developer's training by Franchisor and Multi-Unit Developer's subsequent operation of the Franchised Restaurants under the Potato Corner Franchise Agreement. Multi-Unit Developer specifically acknowledges that, pursuant to this Agreement, Multi-Unit Developer will receive valuable specialized training and Potato Corner Confidential Information, including, without limitation, Potato Corner Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Potato Corner System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

13.2 Non-Competition During Term of Agreement. Multi-Unit Developer and each Restricted Person covenants that during the Term, except as otherwise approved in writing by Franchisor, Multi-Unit Developer and each Restricted Person shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or Entity (i) divert or attempt to divert any present or prospective Potato Corner customer to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Potato Corner Marks and the Potato Corner System; or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 13.2 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Multi-Unit Developer.

13.3 Non-Competition After Expiration or Termination of Agreement. Except as Franchisor otherwise approves in writing, commencing upon the date of: (i) an Assignment permitted under Article 9; (ii) the Expiration Date of this Agreement; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 13.3, and continuing for an uninterrupted period of two (2) years thereafter, Multi-Unit Developer and each Restricted Person shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business within a two (2) mile radius of any Franchised Location or other Potato Corner Restaurant; provided, however, the restrictions stated in this Section 13.3 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Multi-Unit Developer in the Development Area.

13.4 Exceptions to Non-Compete Covenants. Section 13.2 and Section 13.3 shall not apply to ownership by Multi-Unit Developer or a Restricted Person of a less than five percent (5%) beneficial interest in

the outstanding equity securities of any Competitive Business registered under the Securities Act of 1833, or the Securities Exchange Act of 1834.

13.5 Reducing Scope of Covenants. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 13.2 and Section 13.3, or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof, and Multi-Unit Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

13.6 Enforceability of Covenants Not Affected by Multi-Unit Developer Claims. The existence of any claims Multi-Unit Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 13. Multi-Unit Developer shall pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 13.

13.7 Covenants from Individuals. Multi-Unit Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 13 (including covenants applicable upon the termination of a Person's relationship with Multi-Unit Developer) from all Restricted Persons. Every covenant required by this Section 13.7 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

13.8 Breach of Covenants Causes Irreparable Injury. Multi-Unit Developer acknowledges that the violation of any covenant in this Article 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Multi-Unit Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

13.9 Effect of Applicable Law. In the event any portion of the covenants in this Article 13 violates laws affecting Multi-Unit Developer, or is held invalid or unenforceable in a final judgment to which Franchisor and Multi-Unit Developer are parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Multi-Unit Developer. The provisions of this Article 13 shall be in addition to and not in lieu of any other confidentiality obligation of Multi-Unit Developer, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

13.10 Survival. The provisions of this Article 13 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Potato Corner Marks, the Potato Corner System, the Potato Corner Confidential Information, the Potato Corner Trade Secrets, or any other proprietary aspects of Franchisor's business.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 No Fiduciary Relationship. This Agreement does not create a fiduciary relationship between the Parties. Multi-Unit Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

14.2 Public Notice of Independent Status. Multi-Unit Developer shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent Multi-

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Unit Developer of Franchisor, and shall place such notice of independent ownership on all forms. Franchisor shall have the right to specify the language of any such notice.

14.3 Independent Contractor. Multi-Unit Developer acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, nor shall Franchisor be liable by reason of any act or omission of Multi-Unit Developer in its conduct of the operation of the Franchised Restaurants or for any claim or judgment arising therefrom against Multi-Unit Developer or Franchisor.

14.4 Indemnification. Multi-Unit Developer and its Owners and Affiliates (collectively, the "Indemnitors") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor, its Affiliates and their respective directors, officers, employees, shareholders and agents (collectively, the "Indemnitees"), from any and all "Losses and Expenses" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, and regardless of whether the same is between Indemnitors and Indemnities (collectively, an "Indemnifiable Claim") which arises directly or indirectly from, as a result of, or in connection with Multi-Unit Developer's operation of a Franchised Restaurant and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Multi-Unit Developer; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 14.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Multi-Unit Developer). For the purpose of this Section 14.4, the term "Losses and Expenses" means and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

14.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 14.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "Third Party Claim") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

14.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both

named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

14.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

14.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

14.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

14.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

15. DISPUTE RESOLUTION

15.1 Mediation. The Parties pledge to attempt first to resolve any dispute pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association unless the Parties agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in Los Angeles County, California, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. The mediation provision in this Section 15.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee-Multi-Unit Developer to comply with Multi-Unit DeveloperFranchisee's obligations to Franchisor and/or to protect the Potato Corner Marks. Any claim or dispute involving or contesting the validity of any of the Potato Corner Marks shall not be subject to mediation.

15.2 Arbitration. The Parties agree that, subject to Section 15.1 and Section 15.8 of this Agreement, all disputes arising out of or relating to this Agreement or any other agreement between Franchisor and Multi-Unit Developer, Franchisor's relationship with Multi-Unit Developer, the scope and validity of this Agreement or any other agreement between Franchisor and Multi-Unit Developer or any provision of those agreements (including the validity and scope of the arbitration obligations under this Section 15.2, which the Parties acknowledge is to be determined by an arbitrator and not by a court), or the Potato Corner System, shall be submitted for binding arbitration, on demand of either Party, to the AAA.

15.2.1 The arbitration proceedings shall be conducted by one arbitrator and, except as otherwise provided in this Section 15.2, according to the then current commercial arbitration rules of the AAA. All proceedings shall be conducted at a suitable location chosen by the arbitrator in the Los Angeles, California metropolitan area. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 USC. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The arbitrator shall have the right to award or include in the arbitrator's award any relief which the arbitrator deems proper, including, without limitation, money damages (with interest on any unpaid amounts from the date due), specific performance, injunctive relief (except as provided in Section 15.8), and attorneys' fees and costs, provided that the arbitrator may not declare any Potato Corner Mark generic or otherwise invalid or award any punitive or exemplary damages against either Party. The Parties shall be bound by the provisions of any limitation on the period of time in which claims must be brought under Applicable Law or this Agreement, whichever expires earlier. The Parties further agree that, in any arbitration proceeding, each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

15.2.2 Franchisor reserves the right, but not the obligation, to advance Franchise's share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and, by doing so, shall not

be deemed to have waived or relinquished Franchisor's right to seek the recovery of amounts advanced in accordance with Section 15.7. The Parties agree that arbitration shall be conducted on an individual, not a class-wide, basis and that any arbitration proceeding between the Parties, or their Affiliates, and/or their respective officers, directors, shareholders, members, managers, agents, and/or employees, may not be consolidated with any other arbitration proceeding between the Parties and any other Person. Notwithstanding the foregoing or anything to the contrary in this Section 15.2, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 15.2, the Parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in the Superior Court of California, County of Los Angeles or the United States District Court for the Central District of California in Los Angeles, California in accordance with this Article 15 (excluding this Section 15.2).

15.3 Governing Law. Except as otherwise provided in Section 15.2.1, this Agreement shall be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Restaurants are located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Restaurants are located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 15.3 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

15.4 Waivers. The Parties agree, to the extent permitted by Applicable Law, that any legal action of any kind by either Party arising out of or relating to this Agreement or a Default under this Agreement must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. The Parties, for themselves, and for and on behalf of the Owners, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 15.7.

15.5 Specific Performance. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable. The Parties further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Multi-Unit Developer might otherwise have.

15.6 Injunctive Relief. Multi-Unit Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Multi-Unit Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Multi-Unit Developer's use of the Potato Corner Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Multi-Unit Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Potato Corner Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the

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Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibit any act or omission by Multi-Unit Developer or its employees that constitutes a violation of Applicable Law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Multi-Unit Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Multi-Unit Developer waives all damage claims if the injunction is wrongfully issued.

15.76 Exclusive Remedy. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any claim for damages. Neither Party may claim any damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

15.87 Attorneys' Fees and Costs. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a Court.

15.98 Exceptions to Mediation and Arbitration. Section 15.1 and Section 15.2 shall not apply to any action involving or contesting the validity of any of the Potato Corner Marks or any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Multi-Unit Developer to comply with Multi-Unit Developer's obligations to Franchisor and/or to protect the Potato Corner Marks.

15.10 No Withholding of Payments. Multi-Unit Developer shall not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's Affiliates allegedly may owe Multi-Unit Developer under this Agreement or any related agreements.

15.11 WAIVER OF JURY TRIAL. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR MULTI-UNIT DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS AND/OR ANY GOODS OR SERVICES.

15.12 WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN MULTI-UNIT DEVELOPER, MULTI-UNIT DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

15.13 Waiver of Punitive Damages. Multi-Unit Developer hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Multi-Unit Developer's recovery is limited to actual damages. Except for any damages or losses incurred by Franchisor as a result of or arising out of any of Multi-Unit Developer's (i) breach of its non-compete or confidentiality obligations under the Franchise Agreement, (ii) misuse or breach of its obligations under this Agreement as it relates to or arises out of the Marks or the System, (iii) fraud or willful misconduct, or (iv) any other illegal conduct or bad faith actions, Franchisor hereby waives to the fullest extent permitted by law, any right to claim for any punitive damages (and only punitive damages) against Multi-Unit Developer arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise). If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Multi-Unit Developer's waiver of any right to claim any consequential damages. Nothing in this Section 15.13 or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Multi-Unit Developer's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

15.14 Survival. The provisions of this Article 15 shall survive the expiration, termination or non-renewal of this Agreement.

16. ANTI-TERRORISM LAWS

Multi-Unit Developer shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). In connection with its compliance, Multi-Unit Developer certifies, represents and warrants that none of Multi-Unit Developer's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Multi-Unit Developer is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Multi-Unit Developer or Multi-Unit Developer's employees or any "blocking" of Multi-Unit Developer's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Multi-Unit Developer has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 11.2.

17. NOTICES

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, by facsimile transmission or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; (iv) on the day of facsimile transmission to the facsimile number given below if confirmation of receipt is obtained by the sender promptly after completion of facsimile transmission; and (v) on the day of electronic transmission to the email address given below if confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the

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respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

PCJV USA, LLC
8657 Hayden Place
Culver City, California 90232
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Fax: (818) 981-4764

Notices to Multi-Unit Developer: _____ See Exhibit A

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

18. ACKNOWLEDGMENTS

18.1 Waiver and Delay. No waiver by Franchisor of any Default, or series of Defaults in performance by Multi-Unit Developer, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Multi-Unit Developer's obligations under this Agreement or any Potato Corner Franchise Agreement or other agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

18.2 Survival of Covenants. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the termination or expiration of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

18.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Multi-Unit Developer and its or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

18.4 Joint and Several Liability. If Multi-Unit Developer consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

18.5 Entire Agreement. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or

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promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations made in the franchise disclosure document previously furnished to Multi-Unit Developer.

18.6 Titles and Recitals. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

18.7 Gender and Construction. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Multi-Unit Developer that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. To protect the Potato Corner System, the Potato Corner Marks, the Potato Corner Trade Secrets and the goodwill associated with the same, on any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. The Parties intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

18.8 Severability; Modification. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

18.9 Counterparts and Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits.

18.10 Electronic Execution and Copies. This Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and Electronic Signatures appearing on this Agreement and the Exhibits shall

be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits. An executed copy of this Agreement (or any portion of this Agreement) may be delivered by either of the Parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (collectively, "electronic"), and delivery will be effective and binding upon the Parties, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement. Multi-Unit Developer acknowledges and agrees that Franchisor may create an electronic record of any or all agreements, correspondence or other communications between the Parties or involving third parties and may thereafter dispose of or destroy the original of any of the agreements, correspondence or other communications. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. Notwithstanding any Applicable Law to the contrary, any electronic version of this Agreement or any other agreements, correspondence or other communications between the Parties will have the same legal effect, validity and enforceability as an original of any document, even if the original of the document has been disposed of or intentionally destroyed.

18.11 Time of the Essence. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

~~18.12 Intent to Comply. Multi-Unit Developer has read this Agreement and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of service and quality and the uniformity of those standards at all Potato Corner Restaurants in order to protect and preserve the Potato Corner System and the goodwill of the Potato Corner Marks. Multi-Unit Developer, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply with the terms of this Agreement and be bound by the terms of this Agreement.~~

~~18.13 Independent Investigation. Multi-Unit Developer has conducted an independent investigation of the business contemplated by this Agreement. Multi-Unit Developer recognizes that the Potato Corner System may evolve and change over time, that an investment in this franchise involves business risks, and that the success of the investment depends upon Multi-Unit Developer's business ability and efforts.~~

~~18.14 Counsel. The Parties acknowledge and agree that each Party has been represented by independent legal counsel their choice in connection with this Agreement or has had the opportunity to have legal counsel review this Agreement and advise the Party regarding the same, but has voluntarily chosen not to do so.~~

~~18.15 Atypical Arrangements. Multi-Unit Developer acknowledges and agrees that Franchisor may modify the offer of its franchises to other Potato Corner multi-unit developers and franchisees in any manner and at any time, which offers have or may have terms, conditions and obligations which may differ from the terms, conditions, and obligations in this Agreement. Multi-Unit Developer further acknowledges and agrees that Franchisor has made no warranty or representation that multi-unit development agreements or franchise agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Agreements previously executed or executed after the date of this Agreement with other Potato Corner multi-unit developers and franchisees in a non-uniform manner.~~

18.1~~26~~ Business Judgment. Notwithstanding any provision in this Agreement to the contrary, Multi-Unit Developer and the Owners acknowledge and agree that:

18.1~~62~~.1 This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the explicit rights and obligations of Multi-Unit Developer and the Owners hereunder that may affect Multi-Unit Developer and the Owners' interests favorably or adversely. Franchisor shall use its Business Judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the Potato Corner System and other Potato Corner ~~m~~Multi-~~u~~Unit Developers, Potato Corner Restaurants generally, and specifically without considering the individual interests of Multi-Unit Developer or the Owners or the individual interests of any other Potato Corner ~~m~~Multi-~~u~~Unit Developer. Multi-Unit Developer and the Owners acknowledge and agree that Franchisor shall have no liability to Multi-Unit Developer or the Owners for the exercise of its discretion in this manner; and even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any legal action shall substitute his or her judgment for Franchisor's judgment so exercised and no such action or decision shall be subject to challenge for abuse of discretion. If Franchisor takes any action or Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction are challenged for any reason, the Parties expressly direct the trier of fact to find that Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

18.1~~62~~.2 In granting its approval of the Franchised Locations, designating suppliers, setting standards and the like, Franchisor shall exercise its Business Judgment. However, in the exercise of its Business Judgment, Franchisor shall not be liable to Multi-Unit Developer or the Owners or anyone else, if Franchisor's exercise of its Business Judgment results in a business loss or if the products or services provided fail to meet the expectations of Franchisor, Multi-Unit Developer, the Owners or other parties. Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which Multi-Unit Developer uses, purchases, retains or hires pursuant to Franchisor's exercise of its Business Judgment.

18.12.3. If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, the Parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if Applicable Law shall imply the covenant, Multi-Unit Developer agrees that: (i) this Agreement (and the relationship of the Parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Multi-Unit Developer's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of the Potato Corner multi-unit developers generally (including Franchisor and its Affiliates if applicable), and specifically without considering Multi-Unit Developer's individual interests or the individual interests of any other particular Potato Corner multi-unit developer; (iii) Franchisor will have no liability to Multi-Unit Developer for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

18.13 No Third-Party Beneficiaries. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person or legal entity other than Multi-Unit Developer, Franchisor, Franchisor's officers, directors and personnel and such

of Multi-Unit Developer's and Franchisor's respective successors and assigns that may have any rights or remedies under or as a result of this Agreement.

18.14 Atypical Arrangements. Multi-Unit Developer acknowledges and agrees that Franchisor may modify the offer of its franchises to other Potato Corner multi-unit developers and franchisees in any manner and at any time, which offers have or may have terms, conditions and obligations which may differ from the terms, conditions, and obligations in this Agreement. Multi-Unit Developer further acknowledges and agrees that Franchisor has made no warranty or representation that multi-unit development agreements or franchise agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable Business Judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Agreements previously executed or executed after the date of this Agreement with other Potato Corner multi-unit developers and franchisees in a non-uniform manner.

18.15 Conflict with Franchise Agreements. Multi-Unit Developer acknowledges and agrees that all individual Franchise Agreements executed by Multi-Unit Developer and Franchisor for Franchised Restaurants within the Development Area are independent of this Agreement. The continued effectiveness of any Franchise Agreement does not depend on the continued effectiveness of this Agreement. If any conflict arises with this Agreement and any Franchise Agreement, the Franchise Agreement controls and has precedence and superiority (except with respect to the Opening Date for each Franchised Restaurant Multi-Unit Developer is granted the right to open under this Agreement).

18.16 Copy of Agreement. Multi-Unit Developer acknowledges that it received a copy of this Agreement, the Exhibits attached to this Agreement and all other agreements relating to this Agreement, if any, with all of the blank lines filled in, at least seven (7) days prior to the Effective Date.

18.17 Franchise Disclosure Document. Multi-Unit Developer acknowledges that it has received a copy of the complete Potato Corner Franchise Disclosure Document which contains a copy of this Agreement, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

18.18 Acceptance. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon its execution by both Franchisor and Multi-Unit Developer. This Agreement shall not be binding on Franchisor unless and until accepted and signed on its behalf by an authorized officer of Franchisor.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____

Name: _____

Title: _____

MULTI-UNIT DEVELOPER:

(IF MULTI-UNIT DEVELOPER IS A
CORPORATION, LIMITED LIABILITY COMPANY,
OR PARTNERSHIP):

[Print Name of Multi-Unit Developer Entity]

By: _____

Name: _____

Title: _____

OR

(IF MULTI-UNIT DEVELOPER IS AN
INDIVIDUAL AND NOT AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT A
DEVELOPMENT INFORMATION

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT A
DEVELOPMENT INFORMATION

EFFECTIVE DATE: _____.

MULTI-UNIT DEVELOPER: _____.

DEVELOPMENT AREA is defined as the territory within the boundaries described below:

If the Development Area is defined by streets, highways, freeways or other roadways then the boundary of the Development Area shall extend to the center line of each street, highway, freeway or other roadway.

MINIMUM DEVELOPMENT OBLIGATION:

_____ Franchised Restaurants.

_____ Exclusive License

_____ Non-Exclusive License

Franchised Restaurant	Venue	Exclusivity
#1		☐ Exclusive ☐ Non-Exclusive
#2		☐ Exclusive ☐ Non-Exclusive
#3		☐ Exclusive ☐ Non-Exclusive
#4		☐ Exclusive ☐ Non-Exclusive
#5		☐ Exclusive ☐ Non-Exclusive
#6		☐ Exclusive ☐ Non-Exclusive
#7		☐ Exclusive ☐ Non-Exclusive
#8		☐ Exclusive ☐ Non-Exclusive
#9		☐ Exclusive ☐ Non-Exclusive
#10		☐ Exclusive ☐ Non-Exclusive
#11		☐ Exclusive ☐ Non-Exclusive
#12		☐ Exclusive ☐ Non-Exclusive
#13		☐ Exclusive ☐ Non-Exclusive

EXCLUSIVE DEVELOPMENT FEE: \$ _____ (@ \$20,000 for each Franchised Restaurant to be developed, not including the first Franchised Restaurant).

NON-EXCLUSIVE DEVELOPMENT FEE: \$ _____ (@ \$15,000 for each Franchised Restaurant to be developed, not including the first Franchised Restaurant).

INITIAL FRANCHISE FEE: \$30,000 for the first Franchised Restaurant; \$_____ (@ 15,000 for Franchised Restaurants 2 – 4; @ \$10,000 for Franchised Restaurants 6 – 10; \$5,000 for 10 or more Franchised Restaurants).

NOTICE ADDRESS FOR MULTI-UNIT DEVELOPER:

_____;

EMAIL: _____.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER

(IF MULTI-UNIT DEVELOPER IS A
CORPORATION, LIMITED LIABILITY
COMPANY, OR PARTNERSHIP):

[Print Name of Multi-Unit Developer Entity]

By: _____
Name: _____
Title: _____

(IF MULTI-UNIT DEVELOPER IS AN
INDIVIDUAL AND NOT AS A LEGAL
ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Multi-Unit Developer represents and warrants that the following information is accurate and complete in all material respects:

(1) Multi-Unit Developer is a (check as applicable):

- ☐ corporation
- ☐ limited liability company
- ☐ general partnership
- ☐ limited partnership
- ☐ Other (specify): _____

State of incorporation/organization: _____

Name of Multi-Unit Developer entity: _____

(2) Multi-Unit Developer shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "Entity Documents").

(3) Multi-Unit Developer promptly shall provide all additional information as Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Multi-Unit Developer.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of the Owners who will be devoting their full time to the development of Franchised Restaurants are:

NAME	ADDRESS	TITLE

(6) The address where Multi-Unit Developer's financial records and Entity Documents are maintained is: _____.

(7) The Principal Owner is _____.

(8) Multi-Unit Developer represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Multi-Unit Development Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Multi-Unit Developer shall provide Franchisor with all additional information Franchisor may request with respect to the Owners and the ownership of Multi-Unit Developer. In addition, Multi-Unit Developer shall notify Franchisor within ten (10) days of any change in the information set forth in this Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Multi-Unit Developer to be true, correct and complete in all material respects. Franchisor grants Multi-Unit Developer the rights in the Multi-Unit Development Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this Exhibit B on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

(IF MULTI-UNIT DEVELOPER IS A
CORPORATION, LIMITED LIABILITY
COMPANY, OR PARTNERSHIP):

[Print Name of Multi-Unit Developer Entity]

By: _____
Name: _____
Title: _____

IF MULTI-UNIT DEVELOPER IS AN
INDIVIDUAL AND NOT AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT C
DEVELOPMENT SCHEDULE AND DEVELOPMENT PERIODS

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT C
DEVELOPMENT SCHEDULE AND DEVELOPMENT PERIODS

A. DEVELOPMENT SCHEDULE: _____ Franchised Restaurants must be Opened in ____ months from the Effective Date.

B.

DEVELOPMENT PERIOD ENDING	CUMULATIVE NUMBER OF RESTAURANTS TO BE IN OPERATION
TOTAL	

IN WITNESS WHEREOF, the Parties have executed this Exhibit C on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPER:

(IF MULTI-UNIT DEVELOPER IS A
CORPORATION, LIMITED LIABILITY COMPANY,
OR PARTNERSHIP):

[Print Name of Multi-Unit Developer Entity]

By: _____
Name: _____
Title: _____

(IF MULTI-UNIT DEVELOPER IS AN INDIVIDUAL
AND NOT AS A LEGAL ENTITY):_____

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT D
GUARANTEE OF MULTI-UNIT DEVELOPMENT AGREEMENT

PCJV USA, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT D
GUARANTEE OF MULTI-UNIT DEVELOPMENT AGREEMENT

The undersigned ("Guarantors") have requested PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), to enter into that certain Multi-Unit Development Agreement dated _____ (the "Multi-Unit Development Agreement") with _____, a _____ ("Multi-Unit Developer"). In consideration for, and as an inducement to, Franchisor's execution of the Multi-Unit Development Agreement, Guarantors hereby agree as follows:

1. "Obligations" means and includes any and all obligations of Multi-Unit Developer arising under or pursuant to the Multi-Unit Development Agreement and all other obligations, whether now existing or hereafter arising, of Multi-Unit Developer to Franchisor of whatever nature.
2. Guarantors irrevocably and unconditionally, fully guarantees to Franchisor the prompt, full and complete payment of any and all Obligations of Multi-Unit Developer to Franchisor and the performance of any and all obligations of Multi-Unit Developer including, without limitation, obligations under the Multi-Unit Development Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.
3. If Multi-Unit Developer fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Multi-Unit Development Agreement is not observed, performed or discharged as required by the Multi-Unit Development Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, observe, perform or discharge such obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.
4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Multi-Unit Developer or any other Person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Multi-Unit Development Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Multi-Unit Development Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Multi-Unit Development Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any assignment or transfer of the Multi-Unit Development Agreement (or any of them) by Franchisor or Multi-Unit Developer; (iv) the invalidity or unenforceability of any provision of the Multi-Unit Development Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Multi-Unit Development Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Multi-Unit Developer or any other Person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Multi-Unit Developer's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Multi-Unit Developer, any other or others; (iv) any defense arising out of any alteration of the Multi-Unit Development Agreement or the Obligations; (v) notice of Multi-Unit Developer's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Multi-Unit Developer, Franchisor, any endorser, creditor of Multi-Unit Developer or Guarantors under this or any other instrument, or any other Person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Multi-Unit Developer by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Multi-Unit Developer, regardless of whether Franchisor has reason to believe that any such facts materially increase the risk beyond that which Guarantors intends to assume or has reason to believe that such facts are unknown to Guarantors or has a reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Multi-Unit Developer's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Multi-Unit Developer. All existing or future indebtedness of Multi-Unit Developer to Guarantors and any right to withdraw capital invested in Multi-Unit Developer by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and such rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained herein, Guarantors waive and agree not to assert or take advantage of (i) all rights described in California Civil Code Section 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights or defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Multi-Unit Developer's obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and each renewal term and through any extensions, amendments, modifications, substitutions or replacements of the Multi-Unit Development Agreement and until all Obligations have been fully paid and the Obligations have been fully performed. In the event of any default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Multi-Unit Developer or whether Multi-Unit Developer is joined in any such action or actions. Franchisor may maintain successive actions for other defaults. Franchisor's rights

under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any such action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Multi-Unit Developer and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Multi-Unit Developer or any other Person or Entity, or applying or enforcing any security of the Multi-Unit Development Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Multi-Unit Development Agreement.

9. Nether any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall bind Franchisor unless expressed herein.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 17 of the Multi-Unit Development Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantor's signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be governed by and construed in accordance with the laws of the State of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Los Angeles. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

Executed by or on behalf of Guarantors on the date set forth below.

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C
MOBILE RESTAURANT ADDENDUM

PCJV USA, LLC
MOBILE RESTAURANT ADDENDUM TO FRANCHISE AGREEMENT

THIS MOBILE RESTAURANT ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") is made and entered into on _____, 20____ (the "Effective Date") and is intended to be a part of, and by this reference is incorporated into, that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"), by and between PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), on the one hand, and _____ ("Franchisee"), on the other hand, with reference to the following facts:

A. Franchisor and its affiliates have developed the "Potato Corner System" for the establishment and operation of restaurants ("Potato Corner Restaurants") that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products (collectively, the "Potato Corner Menu Items") under the trade name and service mark "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks").

B. Neither the Franchisor nor its affiliates have previously granted licenses for the development, ownership or operation of food trucks ("Food Trucks") and make no representation or warranty of any kind, expressed or implied, with respect to the suitability or likelihood of success of a Potato Corner food truck (a "Mobile Restaurant"). Nevertheless, Franchisee desires to obtain a license and franchise to develop, own and operate one Mobile Restaurant under the Potato Corner Marks and the Potato Corner System and the standards established by Franchisor from time to time, and Franchisor is willing to grant Franchisee a license and franchise under the terms and conditions set forth in this Addendum and the Franchise Agreement.

C. All provisions of the Franchise Agreement shall apply to a Mobile Restaurant, unless otherwise stated in this Addendum or unless the context of its use indicates otherwise. All references to a "Potato Corner Restaurant" in the Franchise Agreement include a Mobile Restaurant unless the context of its use indicates otherwise. This Addendum shall replace and supplement the corresponding provisions in the Franchise Agreement that may not apply to a Mobile Restaurant, unless the context of its use indicates otherwise. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Capitalized terms used but not defined in this Addendum shall have the meaning ascribed to those terms in the Franchise Agreement.

NOW, THEREFORE, THE PARTIES AGREE:

1. GRANT

1.1 Grant. Franchisor hereby grants to Franchisee the right, and Franchisee undertakes the obligation, to use the Potato Corner Marks and the Potato Corner System solely in connection with the operation of one (1) Mobile Restaurant in, and only in, the following geographic area:

_____ ; and as shown in the map immediately following this Addendum (the "Mobile Territory").

1.2 Mobile Territory. During the Initial Term, if Franchisee is not in Default under the Franchise Agreement or this Addendum or any other agreement between Franchisor, its Affiliates and Franchisee, neither Franchisor nor its Affiliates shall own, operate, sell or issue a franchise for any other Mobile Restaurant to be operated within the Mobile Territory. Except as expressly provided in this Section 1.2, the license granted to Franchisee under this Addendum is nonexclusive. Franchisee shall not operate the Mobile Restaurant within another Potato Corner franchisee's Protected Area or Mobile Territory. Franchisee shall not operate the Mobile Restaurant within two (2) miles of any Potato Corner Restaurant owned by another Potato Corner franchisee (a "Protected Zone"). Franchisor shall have the right to reduce or enlarge a Protected Zone at any time. If Franchisee, at any time, operates the Mobile Restaurant within another Potato Corner franchisee's Protected Area or Mobile Territory or a Protected Zone, Franchisee shall be in Default under the Franchise Agreement.

1.3 Mobile Restaurant. Franchisee shall purchase the designated type of Food Truck and the designated equipment, graphics and detailing, trade dress and signs only from an Approved Supplier. Franchisee shall secure its own source of financing (a "Lender") for the acquisition and build-out of the Mobile Restaurant who must be approved by Franchisor prior to Franchisee's execution of purchase and financing documents, or pay cash for the acquisition of the Mobile Restaurant, all in the manner required by Franchisor. A Default under the financing documents for the Mobile Restaurant shall constitute a Default under the Franchise Agreement and Franchisor may, at its option, terminate the Franchise Agreement and all rights granted hereunder, following Franchisee's receipt of a Notice of Default demanding the cure of the Default within thirty (30) days. If such a Default is not cured within that time period, or any longer time period that Applicable Law may require or that Franchisor may specify in the Notice of Default, the Franchise Agreement and all rights granted in the Franchise Agreement shall automatically terminate without further notice or opportunity to cure.

2. INITIAL AND EXTENDED TERM

The Initial Term shall commence on the Effective Date and shall expire (i) on the expiration or termination of the Franchise Agreement; or (ii) on the tenth anniversary of the Effective Date (the "Addendum Expiration Date") whichever occurs first, unless sooner terminated as provided in this Addendum or the Franchise Agreement. Franchisee shall have no right or option to extend or renew the Term except as provided in Section 3.2 of the Franchise Agreement. If Franchisee does not elect to extend the Term, this Addendum and the rights granted to operate the Mobile Restaurant under the Franchise Agreement shall terminate on the Addendum Expiration Date.

3. OPEN FOR BUSINESS

Franchisee shall Open the Mobile Restaurant for business within one hundred eighty (180) days after the Effective Date, subject only to Force Majeure, unless Franchisor agrees otherwise in writing. Franchisor shall have the right, but not the obligation, to conduct a final inspection of the Mobile Restaurant. To protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Potato Corner Marks, and to promote the goodwill of all Potato Corner Restaurants, the Potato Corner Marks and the Potato Corner System, Franchisee shall not Open the Mobile Restaurant without the express written authorization of Franchisor, which authorization may be conditioned upon Franchisee's strict compliance with Franchisor's standards and specifications for the Mobile Restaurant and other requirements set forth in the Manuals and applicable to the operations of the Mobile Restaurant.

4. OBLIGATIONS OF FRANCHISEE

4.1 Use of Mobile Restaurant. Franchisee shall utilize the Food Truck solely for the operation of the Mobile Restaurant during the Term; shall keep the Mobile Restaurant in normal operation for the minimum hours and days as Franchisor may specify in the Manuals or otherwise in writing and shall refrain from using or permitting the use of the Mobile Restaurant for any other purpose or activity.

4.2 Standards and Specifications. Following the Effective Date, Franchisor shall provide Franchisee with Franchisor's specifications for the Mobile Restaurant, the décor and layout of a Mobile Restaurant and the required equipment, graphics and detailing, trade dress and signs. Franchisee shall at its sole cost and expense promptly cause the Mobile Restaurant to be manufactured, equipped and improved in accordance with these standards and specifications, unless Franchisor shall, in writing, agree to any modifications thereof. Franchisee shall obtain and certify in writing to Franchisor that all applicable licenses and permits are obtained. Franchisee shall provide Franchisor with regular updates regarding the status of the manufacturing and equipping of the Mobile Restaurant.

4.3 Maintenance of Mobile Restaurant. Franchisee shall at all times maintain the interior and exterior of the Mobile Restaurant in the highest degree of cleanliness, orderliness and sanitation and shall also comply with the requirements of the Manuals regarding the upkeep of the Mobile Restaurant. Franchisee shall repair, re-equip and/or replace the Mobile Restaurant at Franchisee's own expense at such times as reasonably directed by Franchisor. Franchisee shall immediately comply with all Applicable Laws and orders and regulations of Governmental Authorities related to the operation of the Mobile Restaurant. Franchisee shall promptly replace worn-out equipment at Franchisee's expense. Franchisee shall not make any alterations to the Mobile Restaurant, any equipment (including the exterior and interior of the Mobile Restaurant and related equipment), or other items, or to the appearance of the Mobile Restaurant, or the services and products offered from the Mobile Restaurant, without Franchisor's prior written approval. Franchisee shall not affix any signs or posters to the Mobile Restaurant without Franchisor's prior written consent.

4.4 Food Truck Commissary. Franchisee shall house the Mobile Restaurant at a sanctioned home base where the Mobile Restaurant shall be cleaned, stocked, serviced and stored when not in service (a "Food Truck Commissary"). The Food Truck Commissary shall provide Franchisee with a facility to purchase supplies, a designated parking space, truck cleaning facilities and power and water services. To protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Potato Corner Marks, and to promote the goodwill of all Potato Corner Restaurants, the Potato Corner Marks and the Potato Corner System, Franchisee shall not select or contract with a Food Truck Commissary without Franchisor's prior written approval of the Food Truck Commissary.

4.5 Food Storage Space. Franchisee shall secure food storage warehouse or shared kitchen space at a separate site from a Food Truck Commissary ("Food Storage Space") from an Approved Supplier to store certain Potato Corner Menu Items when the Mobile Restaurant is not in service. The Food Storage Space must satisfy local health department guidelines and utility requirements for frozen and dry storage of certain Potato Corner Menu Items.

5. DEFAULT AND TERMINATION

In addition to the rights granted to Franchisor in Article 16 of the Franchise Agreement, Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate the Franchise Agreement and all rights granted thereunder, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of Notice of Default by Franchisor if (i) Franchisee uses the Mobile Restaurant for any purpose not authorized by the Franchise Agreement; or (ii) Franchisee, at any time, operates the Mobile Restaurant within another Potato Corner franchisee's Protected Area or Mobile Territory or a Protected Zone, whether intentionally or in error.

6. OBLIGATIONS UPON TERMINATION AND EXPIRATION

Upon the expiration of the Franchise Agreement or the termination of the Franchise Agreement for any Default of Franchisee, Franchisor shall have the option, but not the obligation, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase the Mobile Restaurant, subject to the rights of the Lender. The purchase price for the Mobile Restaurant (the "Purchase Price") shall be the "Fair Market Value" of the Mobile Restaurant as determined under this Section 6. "Fair Market Value" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "Exercise Date"). Franchisor and Franchisee shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor and Franchisee shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser who shall determine the Purchase Price in writing and submit its report to Franchisor and Franchisee. Franchisor and Franchisee shall each pay one half (1/2) of the costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as Franchisor and Franchisee mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price, fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in forty-eight (48) equal monthly payments and shall bear interest at a rate of the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), OR ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Business Assets.

7. COUNTERPARTS AND ELECTRONIC TRANSMISSION; ELECTRONIC SIGNATURES.

This Addendum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Addendum with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Addendum for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Addendum. In addition, this Addendum may be signed electronically by the Parties and electronic signatures appearing on this Addendum shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Addendum.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL AND
AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
MOBILE RESTAURANT ADDENDUM TO FRANCHISE AGREEMENT
MAP OF MOBILE TERRITORY

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D
OPTION TO OBTAIN LEASE ASSIGNMENT

PCJV USA, LLC
OPTION TO OBTAIN LEASE ASSIGNMENT

THIS OPTION TO OBTAIN LEASE ASSIGNMENT (this "Agreement") is made and entered into as of _____ (the "Effective Date"), by and between PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), and _____, a _____ ("Landlord"), with reference to the following facts:

A. On _____, Landlord, as lessor, and Franchisee, as tenant, entered into a Lease (the "Lease") for _____ the _____ premises located at _____ (the "Franchised Location") pursuant to which Franchisee leased the Franchised Location from Landlord for the purpose of operating a franchised Potato Corner Restaurant (the "Franchised Restaurant") at the Franchised Location.

B. On _____, Franchisor, as franchisor, and Franchisee, as franchisee, entered into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisee agreed to operate the Franchised Restaurant at the Franchised Location as a franchisee of Franchisor in accordance with the terms and conditions of the Franchise Agreement.

C. Franchisee, Franchisor and Landlord desire to enter into this Agreement to define the rights of Franchisor in and to the Franchised Location and to protect the interests of Franchisor with respect to the continued operation of a Potato Corner Restaurant at the Franchised Location during the entire term of the Lease and any renewals and extensions of the Lease on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS

The Recitals set forth in Paragraphs A through C of this Agreement are true and correct and are incorporated into this Agreement as part of this Agreement.

2. OPTION

Franchisee does hereby grant to Franchisor an option, exercisable at any time within thirty (30) days after Franchisor's receipt of actual notice of the occurrence of any of the events described in Section 3.1 through Section 3.7 of this Agreement (the "Option"), to succeed to Franchisee's rights under the Lease and to obtain an assignment of the rights and obligations of Franchisee under the Lease to Franchisor (the "Assignment"). This Agreement shall remain in full force and effect, and the Option granted in this Section 2 shall remain exercisable by Franchisor, during the entire term of the Franchise Agreement and the Lease, including all extension terms and/or renewal terms of the Franchise Agreement and the Lease.

3. ONLY EFFECTIVE UPON EXERCISE OF OPTION

This Agreement shall be effective upon the Effective Date; however, the Assignment shall only become effective if, and when, Franchisor expressly exercises the Option in writing after the occurrence of one or more of the following events:

3.1 Franchise Agreement. The occurrence of (i) any acts which would result in the immediate termination of the Franchise Agreement; or (ii) the default by Franchisee in the performance of any of the terms or obligations of the Franchise Agreement, which default is not cured within the applicable cure period set forth in the Franchise Agreement.

3.2 Lease. The occurrence of (i) any acts which would result in the termination or merger of the Lease; or (ii) the default by Franchisee in the performance of any of the terms or obligations of the Lease which default is not cured within the applicable cure period set forth in the Lease.

3.3 Sale of Restaurant. If Franchisee, without the prior written consent of Franchisor, either (i) sells, transfers, assigns, sublets or enters into any agreement to sell, transfer, assign or sublet any of its right, title or interest in and to the Franchised Restaurant, including any transfer, assignment or sublet of the Franchise Agreement, the Lease or any of the operating assets of the Franchised Restaurant; or (ii) amends the Lease in any manner which would impair the value of the security granted by this Agreement or which would materially affect the rights of Franchisor under this Agreement.

3.4 Failure to Exercise Option to Renew or Extend. If Franchisee shall fail to exercise any option to renew or extend the term of the Lease.

3.5 Insolvency. If Franchisee (i) is adjudicated insolvent or makes an assignment for the benefit of creditors; or (ii) Franchisee applies for or consents to the appointment of a custodian, receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) if such a custodian, receiver, trustee or similar officer is appointed without the application or consent of Franchisee, and such appointment continues undischarged for a period of sixty (60) days.

3.6 Bankruptcy. If Franchisee (i) is adjudicated bankrupt or institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (ii) any such proceeding is instituted (by petition, application or otherwise) against Franchisee and remains undismissed for a period of sixty (60) days.

3.7 Purchase of Franchised Location. If Franchisee or any entity with which Franchisee has any financial interest enters into any agreement to purchase the Franchised Location from Landlord. Franchisee and Landlord shall each provide Franchisor with independent and separate written notice of the occurrence of any of the events described in Section 3.1 through Section 3.7 of this Agreement no later than fifteen (15) days after the occurrence of any of the events described in Section 3.1 through Section 3.7 of this Agreement.

4. CONSENT TO ASSIGNMENT

Landlord hereby consents to the Assignment and agrees that its consent to the Assignment shall remain in effect during the entire term of the Lease and any and all renewals and extensions of the Lease. The Lease shall not be amended, modified, altered, assigned, extended, renewed or terminated by Landlord, nor shall the Franchised Location be sublet by Franchisee with the consent of Landlord, without the prior written consent of Franchisor.

5. EXERCISE OF OPTION BY FRANCHISOR

Franchisor shall exercise the Option by giving written notice to Franchisee and Landlord of its affirmative election to do so within thirty (30) days after Franchisor's receipt of actual notice of the occurrence of any of the events described in Section 3.1 through Section 3.7 of this Agreement.

5.1 Cure Defaults. If Franchisor exercises the Option, Franchisee, Franchisor or its franchisee-designee, shall have the right to cure all uncured defaults of Franchisee under the Lease which exist as of the date of the exercise of the Option when Franchisor or its franchisee-designee is put into actual possession of the Franchised Restaurant. The period of time to cure all defaults of Franchisee under the Lease shall be reasonably and appropriately extended by Landlord beyond the cure period provided to Franchisee under the Lease.

5.2 Assignment of Rights. Franchisor shall have the right, concurrently with or subsequent to Franchisor's exercise of the Option, to assign and transfer its rights under this Agreement to an affiliate or a franchisee of Franchisor without the prior consent of Landlord. In the event of such an assignment or transfer, the Franchisor's affiliate-designee or franchisee-designee shall obtain the Assignment in place and instead of Franchisor.

5.3 Indemnification by Assignor. Franchisee agrees to pay and reimburse Franchisor and to hold Franchisor harmless from and against any and all costs, damages, attorneys' fees, liabilities or other expenses of any nature whatsoever incurred by Franchisor in connection with the enforcement of Franchisor's rights and/or the performance of Franchisor's rights or obligations under this Agreement. Franchisor's exercise of the Option shall not release Franchisee from any liability to Landlord or Franchisor for any rents, costs, damages, attorneys' fees, liabilities or other expenses incurred by Franchisor or Landlord as a result of Franchisee's defaults or actions under Sections 3.1 through 3.7 of this Agreement.

6. TERM OF AGREEMENT

This Agreement shall terminate upon the termination of the Lease with the written consent of Franchisor.

7. TERMINATION OF LEASE AND FRANCHISE AGREEMENT

7.1 Termination of Lease. If, and only if, Franchisor exercises the Option, upon any termination of the Lease prior to the expiration date of the Lease or upon expiration of the term of the Lease in violation of Section 3.4 of this Agreement, following Franchisor's exercise of the Option, Franchisor shall, in Franchisor's discretion, either succeed to Franchisee's rights under the Lease or Landlord shall enter into a substitute lease for the Franchised Location with Franchisor, or its designee, on the identical terms and conditions as contained in the Lease, for the remaining term of the Lease, with identical extension or renewal options, within ten (10) business days of the termination or expiration of the Lease.

7.2 Termination of Franchise Agreement. Upon Franchisor's exercise of the Option, Franchisee shall surrender possession of the Franchised Location to Franchisor and Franchisor shall be entitled to, and Franchisee shall provide Franchisor with, immediate possession of the Franchised Location and Franchisee shall no longer be entitled to the use or occupancy of the Franchised Restaurant or the Franchised Location, including all of Franchisee's rights in and to the same, including all improvements, buildings and fixtures which are a part of the same will, in all respects, be deemed to have been terminated and, under the terms of

this Agreement and the applicable provisions of the Franchise Agreement, assigned to Franchisor. Franchisor shall have the right to manage and operate the Franchised Restaurant at the Franchised Location immediately upon its exercise of the Option.

7.3 De-Identification of Restaurant. If Franchisor does not exercise the Option upon a termination of the Franchise Agreement and/or Lease, Franchisor shall have the right to enter the Franchised Restaurant and the Franchised Location to remove and modify to Franchisor's satisfaction, all distinctive design features and characteristics of the Franchised Restaurant and the Franchised Location, including distinctive interior designs and surface materials and refrigeration equipment, display fixtures, color décor and interior and exterior signs and all other items identifying the Franchised Restaurant and the Franchised Location as a Potato Corner Restaurant.

8. RESTRICTIONS ON TRANSFER

This Agreement may not be assigned by Franchisee without the prior written consent of Franchisor. Franchisee shall not sell, transfer, assign, sublet or otherwise encumber any or all of its right, title or interest in and to the Franchised Restaurant, the Franchise Agreement or the Lease, except in accordance with the applicable terms and conditions of the Franchise Agreement. Franchisee shall not amend, modify or alter the Lease during the term of this Agreement without the prior written consent of Franchisor and shall provide Franchisor with at least thirty (30) days prior written notice of any proposed amendment, modification, alteration, extension or renewal of the Lease.

9. POWER OF ATTORNEY

Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact to exercise any and all of Franchisee's rights in, to and under the Lease and in and to the Franchised Location upon the occurrence of a default or an event of default under the Lease or Franchise Agreement. Landlord acknowledges this appointment and agrees to recognize and accept the rights and actions of Franchisor under this appointment.

10. GENERAL PROVISIONS

10.1 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State in which the Franchised Location is located.

10.2 Notices. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

If to Franchisor:	PCJV USA, LLC
	8657 Hayden Place
	Culver City, California 90232
	Attention: President

With a copy (which shall not constitute notice) to:

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan,
A Law Corporation
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Fax: (818) 981-4764

If to Franchisee:

Attention: _____
Facsimile No.: _____

If to Landlord:

Attention: _____
Facsimile No.: _____

Any party may change his or its address by giving ten (10) days prior written notice of such change to all other parties.

10.3 Waivers. The delay, omission or forbearance by Franchisor to take action to remedy or seek damages for the breach or default of any term, covenant or condition of this Agreement or to exercise any right, power or duty arising from such breach or default shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach or default of the same or any other term, covenant or condition of this Agreement. The subsequent acceptance of performance by Franchisor shall not be deemed to be a waiver of any preceding breach or default by Franchisee other than its failure to pay the particular payment so accepted, regardless of Franchisor's knowledge of such preceding breach or default at the time of acceptance of such payment.

10.4 Attorneys' Fees. If any legal action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

10.5 Modification. This Agreement may be modified only by a writing executed by the party sought to be bound.

10.6 Entire Agreement. This Agreement, and the other agreements referred to in this Agreement, and any other agreement that may be executed by the parties concurrently with the execution of this Agreement, set forth the entire agreement and understanding of the parties with regard to the subject matter of this Agreement and any agreement, representation or understanding, express or implied, heretofore made by either party or exchanged between the parties are hereby waived and canceled.

10.7 Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable or otherwise shall not be exclusive, but shall be cumulative with all other rights or remedies set forth in this Agreement or allowed or allowable by law.

10.8 Captions. The various titles of the Sections in this Agreement are used solely for convenience and shall not be used in interpreting or construing any word, clause, Section or subparagraph of this Agreement.

10.9 Gender. All words used in this Agreement in the singular shall include the plural and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

10.10 Successors. This Agreement shall be binding upon all of the parties to this Agreement, their respective heirs, executors, administrators, personal representatives, successors and assigns.

10.11 Severability. The invalidity of any one or more of the provisions contained in this Agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

10.12 Additional Documents. Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

10.13 Counterparts and Electronic Transmission; Electronic Copies. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

10.14 General. Franchisee acknowledges that Franchisee has carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that Franchisee has obtained the advice of counsel in connection with entering into this Agreement, that Franchisee understands the nature of this Agreement and that Franchisee intends to comply herewith and be bound hereby. Franchisee further acknowledges that it has read and understood this Agreement and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

10.15 Atypical Terms. Franchisee acknowledges and agrees that Franchisor has made no warranty or representation that all Option to Obtain Lease Assignment Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Option to Obtain

Lease Assignment Agreements previously executed or executed after the date of this Agreement with other Potato Corner franchisees in a non-uniform manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

FRANCHISOR:

PCJV USA, LLC

A Delaware limited liability company

FRANCHISEE:

A _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

LANDLORD:

A _____

By: _____

Name: _____

Title: _____

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E
CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES

PCJV USA, LLC
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is made this __ day of _____, 20__ (the "Effective Date"), by and between PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), on the one hand, and _____, a _____ ("Candidate"), on the other hand, with reference to the following facts:

A. Franchisor and its affiliates have developed the "Potato Corner System" for the establishment and operation of restaurants ("Potato Corner Restaurants") that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products (collectively, the "Potato Corner Menu Items") under the trade name and service mark "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks"). The Potato Corner Menu Items are prepared according to specified recipes and procedures and use high quality ingredients, including specially formulated and specially produced proprietary lines of flavoring and sauces and other food products (collectively, the "Trade Secret Food Ingredients"). The "Potato Corner System" means the system developed by Franchisor and its affiliates that includes operating methods and business practices related to Potato Corner Restaurants, the relationship between Franchisor and its franchisees, interior and exterior restaurant design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, the Trade Secret Food Ingredients, recipes and unique cooking techniques and methods, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website, all as Franchisor and its affiliates may modify from time to time.

B. Franchisor has the right to use, and to license others to use, the Potato Corner Marks and the Potato Corner System, and has, as a result of its expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate Potato Corner Restaurants using the Potato Corner Marks and the Potato Corner System.

C. Franchisor may provide Candidate with confidential and proprietary information regarding the Potato Corner System prior to granting or declining to grant Candidate a franchise, or entering into a franchise agreement with Candidate, for a Potato Corner Restaurant. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. INCORPORATION OF RECITALS.

The recitals set forth in Paragraph A through Paragraph C are true and correct and are incorporated by reference into the body of this Agreement.

2. CONFIDENTIALITY.

Candidate acknowledges and agrees that:

2.1. Confidential Information. Candidate's knowledge of the elements of the Potato Corner System and any other proprietary data that may be disclosed to Candidate by Franchisor, or any affiliate of Franchisor, including, without limitation, any and all confidential and/or proprietary knowledge, data or information of a party and any and all confidential and/or proprietary knowledge, data or information which a party has obtained or obtains from another person or entity and which a party treats as proprietary or designates (whether or not in writing or electronic form) as "Confidential Information". By way of illustration, but not limitation, "Confidential Information" includes tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, the Trade Secret Food Ingredients, recipes, cooking techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the Potato Corner System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Candidate. Confidential Information does not include any information that was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Candidate after receiving it; has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor or Candidate; or is shown by acceptable evidence to have been independently developed by Candidate.

2.2. Value. The Confidential Information has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public and is of substantial value.

2.3. Proprietary. The Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

2.4. Maintain Confidentiality. Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only

after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege.

2.5. Reproduction and Use. Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

2.6. No Prior Experience. Candidate specifically acknowledges and agrees that prior to the execution of this Agreement, Candidate had no experience, information or knowledge whatsoever about restaurants that serve flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products and that Candidate's knowledge of the Potato Corner Confidential Information was obtained solely from Franchisor pursuant to this Agreement. In addition, Candidate specifically acknowledges that, pursuant to this Agreement, Candidate will receive valuable Potato Corner Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Potato Corner System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

3. GENERAL.

3.1. Injunction. Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Potato Corner System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. Heirs and Successors. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. Entire Agreement. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. No Warranties. Candidate acknowledges and agrees that Franchisor has made no promises, representations or warranties to Candidate that are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document concerning the profitability or likelihood of success of a Potato Corner Restaurant, that Candidate has been informed by Franchisor that there can be no guaranty of success in the operation of a Potato Corner Restaurant and that Candidate's business ability and aptitude will be primary in determining his success.

3.5. No Right to Use the Potato Corner System or the Potato Corner Marks. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Potato Corner System, the Potato Corner Marks or the Confidential Information, which right is expressly reserved by Franchisor.

3.6. Waiver. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.7. Validity. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.8. Headings and Gender. The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.9. Attorneys' Fees. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.10. Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.11. Notices. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

PCJV USA, LLC
8657 Hayden Place
Culver City, California 90232
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan
16633 Ventura Boulevard, 11th Floor
Encino, California 91436

Fax: (818) 981-4764

Notices to Candidate:

Attention: _____

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.12. Venue. The parties agree that all disputes arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of Los Angeles, or the United States District Court of the Central District of California. To the fullest extent that the parties may do so under applicable law, the parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts.

3.13. Governing Law. This Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if a Potato Corner Restaurant would be located outside of California and such provision would be enforceable under the laws of the state in which a Potato Corner Restaurant would be located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 3.13 is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

3.14. Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

CANDIDATE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT
FOR EMPLOYEES OF FRANCHISEE

PCJV USA, LLC
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

THIS NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this "Agreement") is made this ___ day of _____, 20___ (the "Effective Date") by and between _____ ("Franchisee"), on the one hand, and _____ ("Recipient"), on the other hand, with reference to the following facts:

A. PCJV USA, LLC, a Delaware limited liability company ("Franchisor") and its affiliates have developed the "Potato Corner System" for the establishment and operation of restaurants ("Potato Corner Restaurants") that offer flavored french fries, baked potatoes, hash browns, loopy fries, chicken tenders and related food and beverage products (collectively, the "Menu Items") under the trade name and service mark "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (collectively, the "Potato Corner Marks"). The Menu Items are prepared according to specified recipes and procedures and use high quality ingredients, including specially formulated and specially produced proprietary lines of flavoring and sauces and other food products (collectively, the "Trade Secret Food Ingredients").

B. The "Potato Corner System" includes, without limitation, the operations and training manuals and any other written directives related to the Potato Corner System (the "Manuals"), the system developed by Franchisor and PCJV USA, LLC that includes operating methods and business practices related to Potato Corner Restaurants, the relationship between Franchisor and its franchisees, interior and exterior restaurant design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, the Trade Secret Food Ingredients, recipes and unique cooking techniques and methods, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website, all as Franchisor may modify the same from time to time, and may be disclosed to Recipient by Franchisee.

C. Franchisor has and continues to protect the confidentiality of the " Confidential Information" by, among other things, (i) not revealing the confidential contents of the Confidential Information to unauthorized parties; (ii) requiring Potato Corner franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring Potato Corner franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a Potato Corner Restaurant (the "Franchised Restaurant") and to use the Potato Corner System, the Potato Corner Marks, the Manuals, the Trade Secret Food Ingredients and the Confidential Information in the operation of the Franchised Restaurant.

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from all supervisory and managerial personnel employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of the disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement from all supervisory and managerial personnel employed by Franchisee and

each independent contractor to not use the Confidential Information other than in the course of his or her employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

1. ACKNOWLEDGMENTS OF RECIPIENT.

1.1 No Prior Experience, Information or Knowledge. Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge whatsoever about restaurants that offer flavored french fries, baked potatoes, hash browns, loopy fries and chicken tenders. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee.

1.2 Confidential Information. The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, the Trade Secret Food Ingredients recipes, cooking techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the Potato Corner System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Recipient. Confidential Information does not include any information that was in the lawful and unrestricted possession of Recipient prior to its disclosure by Franchisee to Recipient; is or becomes generally available to the public by acts other than those of Recipient after receiving it; has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisor, Franchisee or Recipient; or is shown by acceptable evidence to have been independently developed by Recipient.

~~1.2~~

1.3 Independent Value. The Confidential Information (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee; (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee; and (iii) is the subject of extensive efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information.

1.4 Valuable and Proprietary. The Confidential Information has been developed by Franchisor, its founder and their affiliates by the investment of time, skill, effort and money and is widely recognized by the public, of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor, its founder and their affiliates.

2. COVENANTS OF RECIPIENT.

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends:

2.1 Maintain Confidentiality. Recipient will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than Franchisee or other personnel employed by Franchisee or independent contractors engaged by Franchisee while a supervisory or managerial employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as a supervisory or managerial employee or independent contractor of Franchisee.

2.2 No Reproduction or Use. Recipient will not directly or indirectly reproduce or copy any Confidential Information and will make no use of any Confidential Information for any purpose whatsoever except as may be required while Recipient is employed or engaged by Franchisee and will then do so only in accordance with the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as a supervisory or managerial employee or independent contractor of Franchisee.

2.3 Restrictions. Recipient specifically acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Potato Corner System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Recipient therefore covenants that while employed or engaged by Franchisee, Recipient shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity (i) divert or attempt to divert any present or prospective Potato Corner customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Potato Corner Marks and the Potato Corner System; or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any restaurant business that prepares, offers and sells flavored french fries, baked potatoes, hash browns and loopy fries as its primary menu items and any business that looks like, copies, imitates, or operates with similar trade dress or décor to Potato Corner Restaurants.

2.4 Third Party Beneficiary. Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement.

2.5 No Restriction. Nothing in this Article 2 is intended to prohibit or restrict any activity which prohibition or restriction violates Recipient's rights to engage in protected concerted activity under the National Labor Relations Act.

3. GENERAL TERMS.

3.1 Injunction. Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Potato Corner System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

3.2 Heirs and Successors; Entire Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Recipient that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.3 No Right to Use Potato Corner Marks or Potato Corner System. This Agreement is not a license of any sort, and does not grant Recipient any right to use or to license the use of, the Potato Corner System, the Potato Corner Marks or the Confidential Information, which right is expressly reserved by Franchisor.

3.4 Waiver and Validity. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.5 Headings and Gender. The headings in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.6 Attorneys' Fees. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If any party to this Agreement commences any legal proceeding against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs of suit.

3.7 Cumulative Remedies. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.8 Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties under this Agreement shall be deemed delivered at the time delivered by hand, one (1) business day after transmission by fax or email (with a confirmation copy sent by regular United States mail), or three (3) days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Any notice or demand to Franchisee shall be given to:

Fax: _____

With a copy to:

PCJV USA, LLC
8657 Hayden Place
Culver City, California 90232
Attention: President

Any notice or demand to Recipient shall be given to:

Fax: _____

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.9 Counterparts and Electronic Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISEE:

RECIPIENT:

A _____

By: _____

Name: _____

Title: _____

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G
GENERAL RELEASE

PCJV USA, LLC
GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this "Release Agreement") is made and entered into as of _____ (the "Effective Date"), by and among PCJV USA, LLC, a Delaware limited liability company ("Franchisor"), on the one hand, and _____, a _____ ("Franchisee"), and _____ ("Owner"), on the other hand, who are collectively referred to in this Release Agreement as the "Releasing Parties", with reference to the following facts:

A. Franchisor and Franchisee are parties to that certain Franchise Agreement and related ancillary agreements dated _____ (collectively, the "Franchise Agreement") pursuant to which Franchisor granted Franchisee a license (the "License") to use the service mark and trade names "Potato Corner" and other related trademarks, service marks, logos and commercial symbols (the "Potato Corner Marks") and the "Potato Corner System" (the "System") in connection with the operation of a Potato Corner Restaurant (the "Restaurant") located at _____ (the "Franchised Location").

B. Franchisee desires to enter into a _____.

C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a "clean slate" and that there are no outstanding grievances or Claims against it. Releasing Parties, therefore, give this Release Agreement as consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledge that this Release Agreement is intended to wipe the slate clean.

NOW, THEREFORE, IT IS AGREED:

1. **DEFINITIONS.** As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.

1.1 "Claims" means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys' fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, whatsoever, whether known or unknown, matured or unmatured, accrued or unaccrued, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, and whether or not asserted, threatened, alleged, or litigated, at law, equity, or otherwise.

1.2 "Constituents" means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

1.3 “Excluded Matters” means Franchisor’s continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement.

1.4 “Franchisor Released Parties” means Franchisor and each of its Constituents.

1.5 “Losses” means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys’ fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. GENERAL RELEASE AGREEMENT. Releasing Parties, for themselves and their Constituents, hereby release and forever discharge Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, including, without limitation any and all Claims which relate to the Franchise Agreement, the Restaurant, the System, the License, the Potato Corner Marks, and the Franchised Location, or to any other agreement entered into prior to the Effective Date between Franchisor Released Parties, on the one hand, and Releasing Parties, on the other hand, except for the Excluded Matters and obligations under this Release Agreement. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense. This Release Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

3. WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

3.1 Section 1542 of the California Civil Code. Releasing Parties, for themselves and their Constituents, acknowledge that they are familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

3.2 Waiver. With respect to those Claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown Claims and waive all rights they have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasing Parties shall be considered to be creditors of the Franchisor Released Parties, and each of them.

4. UNKNOWN CLAIMS. Releasing Parties acknowledge and agree that among the wide and comprehensive range of Claims being waived, released, and discharged by this Release Agreement, they are waiving, releasing, and discharging unknown and unsuspected Claims which, if known or suspected by Releasing Parties to exist in their favor at the time of executing this Release Agreement, may have materially affected Releasing Parties’ decision to enter into this Release Agreement. It is understood by Releasing Parties that, after the Effective Date, the facts under which this Release Agreement is entered into may turn

out to be other than or different from the facts Releasing Parties knew or believed to be true on the Effective Date. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. REPRESENTATIONS AND WARRANTIES. Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties' own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. COVENANTS NOT TO SUE. Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

7. INDEMNITY. Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with: (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter released pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claims or other matters released pursuant to this Release Agreement; (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents; or (iv) the Franchise Agreement, the Restaurant, the Franchised Location, and/or any and all claims of creditors, customers, vendors, suppliers or invitees of the Restaurant, or other third parties, for obligations incurred and/or acts or omissions to act by Franchisee, both prior to and following the Effective Date.

8. GENERAL PROVISIONS.

8.1 Amendment. This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties.

8.2 Entire Agreement. This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations and agreements, oral or written, with respect to the subject matter of this Release Agreement. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into this Release Agreement as part of this Release Agreement.

8.3 Counterparts and Electronic Transmission; Electronic Signatures. This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Release Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement. In addition, this Release Agreement may be signed electronically by the parties and electronic signatures appearing on this Release Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Release Agreement.

8.4 Heirs, Successors and Assigns. This Release Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and permitted assigns. In addition, each of Franchisor Released Parties that is not a party shall be a third party beneficiary of this Release Agreement, with the right to enforce this Release Agreement for his, her, or its benefit, whether acting alone or in combination with any other Franchisor Released Party.

8.5 Interpretation. The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties, and shall have no applicability in construing this Release Agreement or any of its terms. The headings used in this Release Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Release Agreement. As used in this Release Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

8.6 Severability and Validity. Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Release Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

8.7 Governing Law and Venue. This Release Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Release Agreement would not be enforceable under the laws of California, and if the Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Restaurant is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 8.7 is intended by the parties to subject this Release Agreement to any franchise or similar law, rule, or regulation of the state of California to which it would not otherwise be subject. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought in the Superior Court of California, County of Los Angeles, or the United States District Court for the Central District of California, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

8.8 Authority of Franchisor. Franchisor represents and warrants that (i) Franchisor has the power and authority to enter into this Release Agreement and to perform its obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individual who executes this Release Agreement on Franchisor's behalf is duly authorized to do so without the approval or consent of any other person or entity.

8.9 Authority of Releasing Parties. Releasing Parties represent and warrant that (i) they have the power and authority to enter into this Release Agreement and to perform their obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individuals who execute this Release Agreement on Releasing Parties' behalves are duly authorized to do so without the approval or consent of any other person or entity.

8.10 No Waiver. No delay, waiver, omission, or forbearance on the part of any party to exercise any right, option, duty, or power arising out of any breach or default by any other party of any of the terms, provisions, or covenants of this Release Agreement, and no custom or practice by the parties at variance with the terms of this Release Agreement, shall constitute a waiver by any party to enforce any such right, option, or power as against the other parties, or as to a subsequent breach or default by the other parties.

8.11 Attorneys' Fees. If any legal action is brought to enforce the terms of this Release Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

8.12 Further Acts. The parties agree to execute, acknowledge and deliver to any requesting party, and to procure the execution, acknowledgment and delivery to any requesting party, of any additional documents or instruments which the requesting party may reasonably require to fully effectuate and carry out the provisions of this Release Agreement.

IN WITNESS WHEREOF, the parties to this Release Agreement have executed this Release Agreement as of the Effective Date.

FRANCHISOR:
PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

A _____

By: _____
Name: _____
Title: _____

OWNER:

_____, an individual

_____, an individual

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H
STATE SPECIFIC ADDENDA

PCJV USA, LLC

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

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 14 DAYS PRIOR TO EXECUTION OF ANY AGREEMENT.

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.

1. The following language is added to the end of Item 3 of the disclosure document:

Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78(a) et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

California Business and Professions Code Sections 20034 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement and Multi-Unit Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise.

The Franchise Agreement requires mediation and arbitration. The mediation and arbitration will occur in Los Angeles, California, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

3. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.
4. 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.
5. ~~No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

PCJV USA, LLC
ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated _____, by and between PCJV USA, LLC, a Delaware limited liability company, as franchisor ("Franchisor"), and _____, as franchisee ("Franchisee"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. For the purposes of Cal. Bus. & Prof. Code Section 20022, Franchisor and Franchisee agree that:
 - a. The parties will use the declining-balance depreciation method to calculate the value of Franchisee's assets (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Section 20022. The purchase price by Franchisor for these assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.
 - b. For purposes of Section 20022, Franchisee is not able to provide to Franchisor "clear title and possession" to Franchisee's assets if those Assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by franchisee's landlord; or (v) tax liens.
 - c. For the purposes of Section 20022(h), Franchisor's right of offset will include the following amounts owed by Franchisee to Franchisor or Franchisor's Affiliates: (i) Royalty Fees; (ii) Marketing Fund Fees; (iii) Transfer Fees; and (iv) any other type of fee or amounts owed by Franchisee to Franchisor or Franchisor's Affiliates.
2. For the purposes of Cal. Bus. & Prof. Code Section 20035, Franchisor and Franchisee agree that:
 - a. "Fair market value of the franchise assets" means the value of Franchisee's Assets, valued according to the declining-balance method of depreciation. The purchase price by Franchisor for the Assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.
 - b. "Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Franchisee to Franchisor within the twelve (12) month period immediately before Franchisor's termination or failure to renew if Franchisor is in violation of the California Franchise Relations Act.

3. ~~No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:
PCJV USA, LLC,
A Delaware limited liability company

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION, LIMITED
LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Name: _____
Title: _____

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
ADDENDUM TO DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

The Disclosure Document is amended as follows:

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.
4. NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.
5. THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REQUIRES THAT THE FRANCHISOR DEFER TO THE COLLECTION OF ALL INITIAL FEES FROM HAWAII FRANCHISEES UNTIL FRANCHISOR HAS COMPLETED ALL ITS PRE-OPENING OBLIGATIONS AND FRANCHISEE IS OPEN FOR BUSINESS. FOR ANY DEVELOPMENT AGREEMENT, THE PAYMENT OF THE DEVELOPMENT AND INITIAL FEE ATTRIBUTABLE TO A SPECIFIC UNIT IS DEFERRED UNTIL THAT UNIT IS OPEN.

PCJV USA, LLC
ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF HAWAII

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated _____, by and between PCJV USA, LLC, a Delaware limited liability company, as Franchisor, and _____, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Section 4.1 of the Franchise Agreement is amended to include the following:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Franchisee under the Franchise Agreement, and Franchisee commences doing business at the Franchised Restaurant, at which time all initial fees and payments shall become immediately due and payable. The Hawaii Department of Commerce and Consumer Affairs has imposed the fee deferral requirement because of our financial condition."

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

FRANCHISEE:

PCJV USA, LLC
A Delaware limited liability company

A _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PCJV USA, LLC
ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE STATE OF HAWAII

THIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Multi-Unit Development Agreement (the "Multi-Unit Development Agreement") dated _____, by and between PCJV USA, LLC, a Delaware limited liability company, as Franchisor, and _____, as Multi-Unit Developer. Defined terms contained in the Multi-Unit Development Agreement shall have the identical meanings in this Addendum. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Multi-Unit Development Agreement, the provisions contained in this Addendum shall control.

1. Sections 4.1 and 4.2 of the Multi-Unit Development Agreement are amended to include the following:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor shall have completed all of Franchisor's material initial obligations to Multi-Unit Developer under the Multi-Unit Development Agreement, and Multi-Unit Developer commences doing business at the first Franchised Restaurant under the Multi-Unit Development Agreement, at which time all initial fees and payments shall become immediately due and payable. The Hawaii Department of Commerce and Consumer Affairs has imposed the fee deferral requirement because of our financial condition."

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

MULTI-UNIT DEVELOPER:

PCJV USA, LLC
A Delaware limited liability company

A _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PCJV USA, LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended ("the "Act"), the Franchise Disclosure Document is amended as follows:

1. Illinois law governs the agreements between the parties to the Franchise Agreement.
2. Item 5 of the Franchise Disclosure Document is amended as follows:

"Despite the payment provisions in this Item 5, all initial fees and payments due to us will be deferred until the first business day following the date that we have completed all of our material initial obligations to you under the Franchise Agreement or Multi-Unit Development Agreement and you begin to conduct business at your first Potato Corner Restaurant, at which time all initial fees and payments will become immediately due and payable. The Illinois Attorney General's Office has imposed the fee deferral requirement because of our financial condition."

3. Section 4 of the Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.
4. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.
5. Your rights upon termination and non-renewal of the Franchise Agreement are set forth in sections 19 and 20 of the Act.
6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

PCJV USA, LLC
ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated _____, by and between PCJV USA, LLC, a Delaware limited liability company, as franchisor ("Franchisor"), and _____, as franchisee ("Franchisee"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Illinois law governs the agreements between the parties to the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.

3. Section 4.1 of the Franchise Agreement is amended to include the following:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Franchise Owner under the Franchise Agreement, and Franchise Owner commences doing business at the Potato Corner restaurant, at which time all initial fees and payments shall become immediately due and payable. The Illinois Attorney General's Office has imposed the fee deferral requirement because of our financial condition."

4. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Franchisee's rights upon termination and non-renewal of the Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

FRANCHISOR:

FRANCHISEE:

PCJV USA, LLC

A Delaware limited liability company

A _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

PCJV USA, LLC
ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE STATE OF ILLINOIS

THIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Multi-Unit Development Agreement (the "Multi-Unit Development Agreement") dated _____, by and between PCJV USA, LLC, a Delaware limited liability company, as franchisor ("Franchisor"), and _____, as multi-unit developer ("Multi-Unit Developer"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Multi-Unit Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Multi-Unit Development Agreement shall have the identical meanings in this Addendum.

1. Illinois law governs the agreements between the parties to the Multi-Unit Development Agreement.
2. Section 2 of the Multi-Unit Development Agreement is amended to include the following:

"All initial fees and payments to be paid to us shall be deferred until the first business day following the date that we have completed all of our material initial obligations to you under the Multi-Unit Development Agreement, and you commence doing business at the first Potato Corner restaurant, at which time all initial fees and payments shall become immediately due and payable. The Illinois Attorney General's Office has imposed the fee deferral requirement because of our financial condition. "

3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Multi-Unit Development Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration outside of Illinois.
4. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. Your rights upon termination and non-renewal of the Multi-Unit Development Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signature Page Follows)

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

MULTI-UNIT DEVELOPER:

PCJV USA, LLC

A Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

MICHIGAN
ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

1. THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents related to a franchise:

- A. A prohibition on the right of a franchisee to join an association of franchisees.
- B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- C. A provision that permits a franchisor to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice and a reasonable opportunity, which will not be more than 30 days, to cure such failure.
- D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- F. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- 1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- 2) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- 3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- 4) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

H. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (C).

I. A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless a provision has been made for providing the required contractual services.

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00 the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

4. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL. Any questions regarding this notice should be direct to:

Michigan Department of the Attorney General
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, MI 48933
(517) 373-7567

~~MINNESOTA ADDENDUM TO~~

~~PCJV USA, LLC~~

~~FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT~~

~~1. Minnesota Statutes §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of this jurisdiction.~~

~~2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Section 80C.14, Subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.~~

~~3. Item 13 of the Franchise Disclosure Document and Section 6 of the Franchise Agreement are modified with respect to Minnesota Franchisees as follows: The Minnesota Department of Commerce requires that the Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Franchisor's trademarks or service marks infringes trademark rights of some third party. The Franchisor does not indemnify against the consequences of the Franchisee's use of the Franchisor's trademark except in accordance with the requirements of the franchise (and to the extent validly required as a condition to registration), and, as a condition to indemnification, the Franchisee must provide notice to the Franchisor of any such claim within 10 business days and tender the defense of claim to the Franchisor. If the Franchisor accepts the tender of defense, the Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.~~

~~4. Minn. Rule 2860.4400J prohibits a franchisee from waiving its rights to a jury trial or waiving its rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent the Franchise Agreement is inconsistent with this Rule, to the extent applicable, the Rule will control.~~

5. ~~Minn. Rule 2860.4400J prohibits us from requiring a franchisee to consent to a franchisor obtaining injunctive relief. We may seek injunctive relief. In addition, a court will determine if a bond is required.~~

~~6. Any releases required as a condition of renewal and/or assignment/transfer will not apply to claims that may arise under the Minnesota Franchises Law.~~

~~7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

(Signature Page Follows)

FRANCHISOR:

FRANCHISEE:

PCJV USA, LLC

A Delaware limited liability company

A _____

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

PCJV USA, LLC

ADDENDUM TO DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The following paragraphs are added at the end of Item 5:

“Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State.”

“The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each Franchised Restaurant the Franchisee opens under the Multi-Unit Development Program, the State of Washington will require that the franchise fees be released proportionally with respect to each Franchised Restaurant.”

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

PCJV USA, LLC
WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS

In recognition of the requirements of the Washington Franchise Investment Protection Act (RCW 19.100, and the rules adopted thereunder), the parties to the attached Franchise Agreement agree as follows:

RCW 19.100.180 may supersede this Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise. There may also be court decisions which may supersede the Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by this Agreement, Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by Franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

Section 4.1 of the Franchise Agreement is amended to include the following:

"In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all initial training that it is entitled to under the Franchise Agreement, and (b) is open for business."

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE:

(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____

Name: _____

Title: _____

(IF FRANCHISEE IS AN INDIVIDUAL AND NOT
AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
WASHINGTON ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT AND RELATED
AGREEMENTS

In recognition of the requirements of the Washington Franchise Investment Protection Act (RCW 19.100, and the rules adopted thereunder), the parties to the attached Multi-Unit Development Agreement agree as follows:

RCW 19.100.180 may supersede this Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by this Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

Sections 4.1 and 4.2 of the Multi-Unit Development Agreement are amended to include the following:

“In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees or development fees until Multi-Unit Developer has (a) received all initial training that it is entitled to under the franchise agreement, and (b) is open for business at the first franchised restaurant. Because the Franchisor has material pre-opening obligations with respect to each Franchised Restaurant the Franchisee opens under the Multi-Unit Development Program, the State of Washington will require that the franchise fees be released proportionally with respect to each Franchised Restaurant.”

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20_____.

FRANCHISOR:

PCJV USA, LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

(IF MULTI-UNIT DEVELOPER IS A
CORPORATION, LIMITED LIABILITY
COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
Name: _____
Title: _____

(IF MULTI-UNIT DEVELOPER IS AN
INDIVIDUAL AND NOT AS A LEGAL ENTITY):

Print Name

Signature

Print Name

Signature

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I
FINANCIAL STATEMENTS



PCJV USA, LLC DBA
POTATO CORNER

Financial Statements and
Independent Auditors' Report

December 31, 2023, 2022 and 2021

US + Canadian Tax Specialists



INDEPENDENT AUDITORS' REPORT

To the Members of
PCJV USA, LLC:

Opinion

We have audited the accompanying financial statements of PCJV USA, LLC OBA Potato Comer (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PCJV USA, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

2022 and 2021 Financial Statements

The financial statements of PCJV USA, LLC as of and for the year ended December 31, 2022 and 2021 were audited by WithumSmith+Brown, PC on May 18, 2023 and expressed an unmodified opinion on those statements dated May 18, 2023.

Emphasis of a Matter

As described in note 1, the Company adopted Accounting Standards Codification Topic 842 as of January 1, 2022. The Company's 2022 and 2021 financial statements were not adjusted upon adoption and still follows Topic 840 as the Company utilized the practical expedient available under the guidance. Our conclusion is not modified with respect to this matter.

Responsibilities Of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink, appearing to read 'Avner Polatsek', written over a faint, circular watermark.

Avner Polatsek, CPA
April 2, 2024

US + Canadian Tax Specialists

PCJV USA, LLC DBA POTATO CORNER
Financial Statements
December 31, 2023, 2022 and 2021

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PCJV USA, LLC DBA POTATO CORNER
Balance Sheets
December 31, 2023, 2022, and 2021

	2023	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	\$ 390,609	\$ 176,326	\$ 85,687
Restricted cash	637,032	580,790	519,816
Accounts receivable, net	234,376	206,742	232,694
Inventory of food and beverages	24,196	19,137	14,192
Due from related parties	14,554	75,250	107,487
Note receivable	75,914	40,960	40,959
Prepaid expenses and other current assets	812	11,825	41,800
Total Current Assets	1,377,493	1,111,030	1,042,635
Equipment and leasehold improvements, net	40,392	77,749	113,174
Note receivable, net of current portion	-	37,546	64,853
Other assets	26,360	26,360	26,360
Right of use asset, operating	140,872	158,647	-
Total Assets	\$ 1,585,117	\$ 1,411,332	\$ 1,247,022
Liabilities and Members' Equity			
Current Liabilities			
Accounts payable and accrued expenses	\$ 50,014	\$ 69,763	\$ 226,775
Accounts payable - marketing	650,057	618,137	533,638
Due to member	-	9,000	9,000
Deferred revenue	101,700	79,601	83,082
Loan from member	68,473	20,000	20,000
Current portion of operating lease liability	129,337	161,038	-
Total Current Liabilities	999,581	957,539	872,495
Paycheck Protection Program loan	-	-	-
Deferred revenue, net of current portion	489,044	489,044	526,128
Operating lease liability, net of current portion	11,535	6,878	-
Total Liabilities	1,500,160	1,453,461	1,398,623
Commitments and Contingencies			
Members' Equity (Deficit)	84,957	(42,129)	(151,601)
Total Liabilities and Members' Equity	\$ 1,585,117	\$ 1,411,332	\$ 1,247,022

The Accompanying Notes are an Integral Part of These Financial Statements

PCJV USA, LLC DBA POTATO CORNER
Statements of Operations and Members' Equity
For the Years Ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues			
Sale of food and beverages	\$ 626,138	\$ 500,094	\$ 457,039
Franchise fees	90,901	68,941	103,311
Area development fees	-	31,624	15,500
Royalty fees	801,611	687,247	647,582
Rebates	448,359	326,396	284,575
Marketing fund revenue	543	138,108	152,625
Total Revenues	<u>1,967,552</u>	<u>1,752,410</u>	<u>1,600,632</u>
Cost of Sales - Food and Beverages	689,191	521,147	468,641
Selling, General and Administrative Expenses	<u>1,150,355</u>	<u>1,118,491</u>	<u>1,271,315</u>
Income (Loss) from Operations	<u>128,006</u>	<u>112,772</u>	<u>(79,324)</u>
Other Income			
Gain from sale of franchised store	-	-	60,358
Other income (Note 7)	<u>20,000</u>	<u>-</u>	<u>130,538</u>
Total Other Income	20,000	-	190,896
Income (Loss) Before Limited Liability Company Fees	148,006	112,772	111,572
Limited Liability Company Fees/Other Expense	<u>20,920</u>	<u>3,300</u>	<u>3,300</u>
Net Income (Loss)	127,086	109,472	108,272
Members' Equity (Deficit), Beginning of Year	(42,129)	(151,601)	(242,584)
Distribution to Members	<u>-</u>	<u>-</u>	<u>(17,289)</u>
Members' Equity (Deficit), End of Year	<u>\$ 84,957</u>	<u>\$ (42,129)</u>	<u>\$ (151,601)</u>

The Accompanying Notes are an Integral Part of These Financial Statements

PCJV USA, LLC DBA POTATO CORNER
Statement of Cash Flows
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Cash Flows from Operating Activities			
Net income (loss)	\$ 127,086	\$ 109,472	\$ 108,272
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Allowance for doubtful accounts			1,286
Depreciation and amortization	43,975	42,914	46,968
Amortization of right-of-use asset - operating	17,775	158,178	
Gain from forgiveness of PPP Loan			(102,738)
Changes in assets and liabilities:			
Accounts receivable	(25,731)	25,952	(27,359)
Inventory of food and beverages	(5,095)	(4,945)	(4,721)
Prepaid expenses and other current assets	10,349	29,975	(8,302)
Other assets	(15,000)		871
Accounts payable and accrued expenses	28,724	(157,012)	9,150
Accounts payable - marketing	25,195	84,499	55,498
Due from related parties	58,792	32,237	(67,500)
Due to member	(9,000)		
Deferred revenue	20,099	(40,565)	93,992
Operating lease liability	(27,044)	(148,909)	
Net Cash Provided (Used) by Operating Activities	252,161	131,796	105,417
Cash From Investing Activities			
Purchase of equipment and leasehold improvements		(7,489)	(12,200)
Issuance of note receivable			(122,879)
Repayments on note receivable	37,546	27,306	17,067
Net Cash Provided (Used) by Investing Activities	37,546	19,817	(118,012)
Cash From Financing Activities			
Proceeds from Paycheck Protection Program loan			
Distribution to members			(17,289)
Total Cash Provided (Used) by Financing Activities			(17,289)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	289,707	151,613	(29,884)
Cash, Cash Equivalents and Restricted Cash Beginning of Year	757,116	605,503	635,387
Cash, Cash Equivalents and Restricted Cash End of Year	\$ 1,392,503	\$ 757,116	\$ 605,503
Supplemental Cash Flow Information			
Cash Paid During the Year for:			
Limited Liability Company Fees	\$	\$	\$
Interest	\$	\$	\$
The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported in the balance sheets:			
Cash and cash equivalents	\$ 755,471	\$ 176,326	\$ 85,687
Restricted cash	637,032	580,790	519,816
Cash, cash equivalents and restricted cash	\$ 1,392,503	\$ 757,116	\$ 605,503

The Accompanying Notes are an Integral Part of These Financial Statements

PCJV USA, LLC DBA POTATO CORNER

Notes to Financial Statements

For the Years Ended December 31, 2023, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

Description of Businesses

PCJV USA, LLC (the "Company" or "PCJV") was organized to engage in the business of franchising the Potato Corner® food business, as well as to establish and operate franchise and company-owned stores within the United States. PCJV is a limited liability company formed under Delaware law on July 16, 2010. PCJV has sold franchise licenses to franchisees in California, Florida, Nevada, New Jersey, New Mexico, New York, Texas, Washington, Minnesota, Arizona, Georgia and Pennsylvania and Hawaii.

The Company grants franchisees the rights to operate a Potato Corner® store and to use the Company's business formats, methods, procedures, signs, designs, layouts, standards, specifications, trademarks, service marks and commercial symbols in its operations, under franchise agreements for a 10-year term. Upon signing new franchise agreement, the Company generally receives a franchise fee of \$30,000 for a single location. Franchise fees are subject to discounts for existing franchisees having additional locations and renewals at the Company's discretion.

The Company may also enter into an area development agreement which grants a franchisee an exclusive territory in which to operate Potato Corner® stores.

The Company owns and operates a single Potato Corner store located in Downey, California ("Potato Corner Stonewood").

The Company is managed pursuant to written documents vesting day-to-day management to Potato Corner LA Group, LLC ("LA Group"). The Company's written governing document required an initial contribution of \$50,000 from the members and that any subsequent increase of capital shall only be made upon affirmative vote of 75% of the board managers. The liability of the members of the Company is limited to the members' total capital contributions. The Company will only terminate upon an affirmative agreement by the members.

Transfer of Potato Corner Roseville to PCJV and Subsequent Sale

In April 2021, the Company terminated a franchise agreement with another franchisee who was operating one of the Potato Corner stores located in Roseville, California ("Potato Corner Roseville") due to the franchisee's failure to cure defaults which included ongoing violations of the Company's system standards. At the time of the transfer, Potato Corner Roseville owned certain fully depreciated equipment and no inventories. Also at the time of the transfer, the Company assumed \$49,482 of unpaid rents incurred by Potato Corner Roseville.

In September 2021, the Company sold the operations of Potato Corner Roseville to an unrelated third-party in accordance with an asset purchase agreement for \$122,879 payable over 36 monthly installment payments with 0% interest. Potato Corner Roseville did not have any assets at the time of sale. As a result of this transaction, the Company recognized a gain of \$60,358, net of assumed rent liability of \$49,482 and selling cost of \$13,039 in its 2021 statement of operations. As of December 31, 2022, and 2021, note receivable resulting from the asset purchase agreement was \$78,506 and \$105,812, respectively.

The store was repurchased in September 2023 on account of default in payments. The total amount of \$75,914 is due immediately which has been shown under Notes Receivable in Balance Sheet 2023. The management is under discussion with the franchise owner to recover these amounts.

The store also owed 97,282.21 to the landlord on account of rental charges. The PCJV management has made a payment of \$4,500 in good faith and believes to make full and final payment of \$64,000 which has been

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

recorded under Current Liabilities in Balance Sheet 2023.

Basis of Presentation

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates and assumptions made by management are used for, but not limited to, the allowance for doubtful accounts and the estimated useful lives and impairment of long-lived assets. Actual results could differ from those estimates.

Revenue Recognition

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, "*Revenue from Contracts with Customers*" in recognizing its revenues. Under this guidance, revenue is recognized as goods or services are delivered to customers in an amount that reflects the consideration the Company expects to be entitled in exchange for those goods or services.

Sale of Food and Beverages

Sales by Potato Corner Stonewood and Roseville are recognized when payment is tendered at the point of sale. Sales are presented net of sales tax and other sales related taxes.

Franchise Fees

The Company recognizes initial franchise fees as a distinct series of performance obligations which the Company accomplishes over the term of the contract, which is typically 10 years. Accordingly, payments received from the sale of franchises are deferred and recognized as revenues over 10 years starting from the contract execution or store opening date using the straight-line method.

Revenue Recognition (continued)

Area Development Fees

Area development fees are deferred until a new store is opened pursuant to the area development agreement. At which time, revenue is recognized on a straight-line basis over the term of the franchise agreement. Cash payments for area development agreements are typically due when an area development agreement has been executed.

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

Franchise fees and area development fees allocated to remaining performance obligations for the year ending December 31 are as follows:

2024	\$ 79,510
2025	80,638
2026	79,277
2027	74,152
2028	90,442
Thereafter	<u>186,725</u>
	<u>\$ 590,744</u>

Royalty Fees

In addition to the initial franchise fee, each of the franchise locations is required to remit to the Company a monthly royalty fee of up to 7% of the store's gross sales (as defined in the franchise agreement). If the store fails to report its current month's gross sales, the royalty due will be 120% of the last monthly royalty paid to the Company. Royalty fees are recognized as revenue on a monthly basis when earned.

Rebates

The Company receives rebates from various suppliers of franchised stores, typically on a quarterly or monthly basis, which are based on the volume of goods shipped to the franchisees. Rebates received are recognized as income in the appropriate period when the transaction that results in such rebates has been fulfilled and the rebate amount has been determined. Rebates that have not been received are accrued when the amounts are reasonably estimable and collection is reasonably assured.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with maturities of 3 months or less at the time of purchase to be cash equivalents. The Company also maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations and cash flows.

Restricted Cash

Restricted cash consists of contributions received from franchisees for the sole purpose of advertising and development and are not available for general operating purposes (see Note 4).

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts and consist primarily of royalties, marketing funds and franchise fees due from franchisees. The allowance for doubtful accounts is determined by evaluating individual account balances, considering a franchisee's financial condition and credit history and current economic conditions. At December 31, 2023, 2022, and 2021 management recorded an allowance for doubtful accounts of \$2,702, \$2,702, and \$2,702 respectively. Account receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. Management determines the past due status of accounts receivable based on contractual terms with each franchisee. Interest is not charged on past due accounts. Accounts receivable as on December 31, 2023 is \$237,078.

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

Inventory

Inventory, consisting of food and beverages, is value at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Leasehold improvements are amortized over the shorter of their estimated useful lives or respective lease term. Upon the disposition of an asset, its accumulated depreciation is deducted from the original cost, and any gain or loss is reflected in current earnings. Repairs and maintenance that do not enhance the use or extend the life of equipment and leasehold improvements are expensed as incurred.

Impairment

The Company reviews its long-lived assets whenever events or circumstances indicate that the carrying amounts of such assets may not be recoverable. Impairment is evaluated by comparing the carrying value of the assets with the estimated future net undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Company would recognize an impairment loss at that date for the amount by which the carrying amount of the asset exceeds its fair value. Management has determined that no impairment existed as of December 31, 2023, 2022 and 2021.

Advertising

Advertising costs are charged to operations as incurred. There was no significant advertising expense incurred for the years ended December 31, 2023, 2022 and 2021, other than amounts related to marketing funds collected from franchisees (see Note 4).

Income Taxes

The Company is a limited liability company and, as such, is taxed as a partnership. Accordingly, each member separately accounts for their pro-rata share of the Company's items of income, deductions, losses and credits on their respective individual income tax returns. As a result of this election, income taxes representing the fees for doing business in California as a limited liability corporation as well as filing fees to the State of Delaware have been recognized in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2023, 2022 and 2021, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

Leases

The Company categorizes leases with contractual terms longer than 12 months as either operating or financing. Finance leases are generally those that allow the Company to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

contractual terms of 12 months or less are not recorded on the balance sheet. The Company has no finance leases during 2023.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. The services are accounted for separately and the Company allocates payments to the leases and other service components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a discount rate based on the risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Recent Accounting Pronouncement

In February 2016, the FASB issued an Accounting Standards Update ("ASU") amending the accounting for leases. The Company adopted the new standard effective January 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Company utilized the practical expedient available under the guidance. Further, the Company elected to implement the package of practical expedients, whereby the Company did not reassess existing contracts for embedded leases, financing or operating classification, or consideration of initial direct costs. The implementation of this standard did not have a material impact to the statement of operations or cash flows.

Upon adoption, the Company has recognized ROU assets and corresponding lease liability. There was no cumulative effect of applying the new standard, and accordingly, there was no adjustment to retained earnings upon adoption.

Fair Value of Financial Instruments

Unless otherwise specified, management believes the carrying value of financial instruments approximates their fair value.

Subsequent Events

The Company has considered subsequent events through March 31 2024, the date the financial statements were available to be issued, in preparing the financial statements.

Note 2 – Equipment and Leasehold Improvements

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

Equipment and leasehold improvements consisted of the following:

	2023	2022	2021
Computer equipment	\$ 53,031	\$ 47,252	\$ 38,082
Furniture and fixtures	34,114	34,114	34,114
Leasehold improvements	180,000	180,000	180,000
	<u>267,145</u>	<u>261,366</u>	<u>252,196</u>
Less: accumulated depreciation	<u>(226,753)</u>	<u>(183,617)</u>	<u>(139,022)</u>
Equipment, net	<u>\$ 40,392</u>	<u>\$ 77,749</u>	<u>\$ 113,174</u>

Depreciation expense was \$43,136, \$42,914 and \$46,968 for the years ended December 31, 2023, 2022 and 2021 respectively.

Note 3 – Franchised Locations

The following table summarizes the changes in the number of franchised Potato Corner® locations as on December 31, 2023:

Open at December 31, 2021	26
Opened during the year	2
Transferred as a corporate store during the year	<u>(2)</u>
Open at December 31, 2022	26
Opened during the year	4
Terminated or closed during the year	<u>(3)</u>
Open at December 31, 2023	27

Note 4 – Accounts Payable – Marketing

Current franchisee operating under franchise agreement is required to contribute an amount equal to 1% of the store's monthly gross sales to an advertising and development fund (the "Fund"). All new agreements are 0% with the ability to increase up to 1%. The Fund is to be used for advertising, marketing and public relations programs and materials the Company deems appropriate. The Company is required to account for the Fund separately from other cash on hand and cannot use the Fund for general operating purposes. Under ASC Topic 606, the Company has determined that it acts as the principal under this arrangement as it is primarily responsible for the fulfillment and control of the marketing services. Accordingly, the Company records marketing fees in revenues and the related marketing fund expenditures in expense in the statements of operations. As on December 31, 2023, 2022 and 2021, the balance in accounts payable for the marketing fund, which represented unexpended marketing fund contributions, was \$646,695, \$618,137 and \$533,638 respectively.

Note 5 – Commitments and Contingencies

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

Leases

The Company has a noncancellable lease agreement with a third-party for its headquarters located in Culver City with an original expiration of January 2024 which has been renewed till January 2025. Rent expense charged to operations under this operating lease for the years ended December 31, 2023, 2022 and 2021 was approximately \$162,000, \$160,000, and \$118,000 respectively.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities for the years ending December 31:

2024	\$ 132,653
2025	<u>11,535</u>
	144,188
Less: Imputed interest	<u>(3316)</u>
Lease liability at December 31, 2023	<u>\$ 140,872</u>

The following is an analysis of the Company's outstanding lease at December 31, 2023:

Cash paid for amounts included in the measurement of operating lease liability:	\$ 144,188
Weighted -average remaining life:	12.5 months
Weighted-average discount rate:	4.50%

The Company has month-to-month lease agreement with another third-party for its Potato Corner Stonewood store located in Downey. Total short-term lease charged to operations, for the years ended December 31, 2023, 2022, and 2021 was approximately \$67,000, \$72,000 and \$59,000 respectively.

Litigation

From time to time, the Company may become a party to certain legal matters arising in the normal course of business. While the Company believes the impact of the matters will not have an adverse effect to its financial position, results of operations or cash flows, any such outcome is not guaranteed.

Note 6 – Related Party Transactions

The Company had the following related party transactions:

- The Company had an outstanding \$20,000 loan due to one of its members at December 31, 2022 and 2021 which has been repaid in 2023. The loan did not bear interest and is not secured by any collateral.
- As of December 31, 2023, 2022 and 2021, the Company is due \$75,914, \$75,250 and \$107,487 respectively, from related parties for various short-term cash advances and reimbursement of expenses paid on their behalf.
- Certain members of the Company who own approximately 40% of the Company's member interests also own and operate sight franchise locations as of December 31, 2023. These stores provide services to the Company by establishing proof of concept of its operations, promoting the franchise brand and engaging in marketing activities which help attract customers for future franchisees. These stores also provide training for new and existing franchisees and testing new menu items. The Company believes that the ongoing value of these services approximates the initial franchise fee and royalty fees and accordingly, management has waived such fees from stores owned by the 40% member since inception. Additionally, the Company's management has determined these franchisee entities are not variable interest entities

PCJV USA, LLC DBA POTATO CORNER
Notes to Financial Statements
For the Years Ended December 31, 2023, 2022 and 2021

required to be consolidated in the Company's financial statements.

- The Company has a contractual obligation to remit 30% of all initial franchise fees and continuing royalty fees collected to certain members who own approximately 40% of the Company and provide management services on behalf of the Company. Additionally, the Company has a contractual obligation to remit 30%, as licensing fees, of all initial franchise fees and continuing royalty fees collected to certain members who own approximately 60% of the Company. Both obligations have been permanently waived by the respective parties through December 31, 2023.
- The Company is required to pay an annual service fee to certain members who own approximately 40% of the Company. Under the terms of the related agreement, annual service fees for the years ended December 31, 2023, 2022 and 2021 was \$291,000, \$240,000 and \$285,000 respectively.

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	<u>AGENT FOR SERVICE OF PROCESS</u>
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	<u>California Commissioner of Financial Protection and Innovation</u> <u>320 West 4th Street, Suite 750</u> <u>Los Angeles, California 90013</u> <u>(213) 576-7505</u> <u>(866) 275-2677</u>
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96810 (808) 586-2722	<u>Commissioner of Securities, Department of Commerce & Consumer Affairs</u> <u>335 Merchant Street Room 203</u> <u>Honolulu, Hawaii 96813</u> <u>(808) 586-2722</u>
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<u>Franchise Bureau</u> <u>Office of the Attorney General</u> <u>500 South Second Street</u> <u>Springfield, Illinois 62706</u> <u>(217) 782-4465</u>
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>Indiana Secretary of State</u> <u>201 State House</u> <u>200 West Washington Street</u> <u>Indianapolis, Indiana 46204</u> <u>(317) 232-6531</u>
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	<u>Maryland Securities Commissioner</u> <u>Office of the Attorney General</u> <u>Securities Division</u> <u>200 St. Paul Place</u> <u>Baltimore, Maryland 21202-2021</u> <u>(410) 576-6360</u>
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 West Ottawa G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48933 (517) 335-7567	<u>Michigan Department of Commerce</u> <u>Corporations and Securities Bureau</u> <u>P.O. Box 30054</u> <u>6546 Mercantile Way</u> <u>Lansing, Michigan 48909</u> <u>(517) 241-6345</u>
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	<u>Minnesota Commissioner of Commerce</u> <u>Department of Commerce</u> <u>85 7th Place East, Suite 280</u> <u>St. Paul, Minnesota 55101-2198</u> <u>(651) 539-1600</u>
NEBRASKA	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions	

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	<u>Division</u> <u>1526 K Street, Suite 300</u> <u>Lincoln, Nebraska 68508-2723</u> <u>(402) 471-2171</u>	
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005-1495 (212) 416-8222 (Phone) (212) 416-6042 (Fax)	<u>New York Department of State</u> <u>One Commerce Plaza</u> <u>99 Washington Avenue, 6th Floor</u> <u>Albany, New York 12231-0001</u> <u>(518) 473-2492</u>
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-2910	<u>Securities Commissioner</u> <u>North Dakota Securities Department</u> <u>600 East Boulevard Avenue</u> <u>Fifth Floor, Department 414</u> <u>Bismarck, North Dakota 58505-0510</u> <u>(701) 328-2910</u>
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	<u>Department of Insurance and Finance</u> <u>Corporate Securities Section</u> <u>Labor and Industries Building</u> <u>Salem, Oregon 97310</u> <u>(503) 378-4387</u>
RHODE ISLAND	Securities Division State of Rhode Island Department of Business Regulation Bldg. 69, First Floor, John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582	<u>Securities Division</u> <u>Department of Business Regulation</u> <u>Bldg. 69, First Floor</u> <u>John O. Pastore Center</u> <u>1511 Pontiac Avenue</u> <u>Cranston, Rhode Island 02920</u> <u>(401) 462 9582</u>
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>Director, Department of Labor and</u> <u>Regulation</u> <u>Division of Insurance</u> <u>Securities Regulation</u> <u>124 South Euclid, Suite 104</u> <u>Pierre, South Dakota 57501</u> <u>(605) 773-3563</u>
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9051	<u>Clerk of the State Corporation Commission</u> <u>1300 East Main Street</u> <u>Richmond, Virginia 23219</u> <u>(804) 371-9051</u>
WASHINGTON	<u>Securities Division</u> Department of Financial Institutions <u>Securities Division</u> P.O. Box <u>903341200</u> Olympia, Washington 9850 <u>4-12007</u> (360) 902-8760	<u>Director, Department of Financial Institutions</u> <u>Securities Division</u> <u>150 Israel Road S.W.</u> <u>Tumwater, Washington 98501</u>
WISCONSIN	Franchise Registration	<u>Securities and Franchise Registration</u>

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STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	<u>Wisconsin Securities Commission</u> <u>201 West Washington Avenue</u> <u>Suite 300</u> <u>Madison, Wisconsin 53703</u> <u>(608) 266-1064</u>

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

STATE	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California, Commissioner of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Commissioner of Securities of the State of Hawaii Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96810 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
MICHIGAN	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
MINNESOTA	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, New York 12231-0001 (518) 473-2492
NEBRASKA	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171
WASHINGTON	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K
LIST OF FRANCHISEES

List of Current Franchisees as of December 31, ~~2022~~2023

	Franchisee	Contact Number	Entity	Location	Store Address
Arizona	Md Rojibul Hasan Rumi Dinh Tran*	(408) 455-9362	D-Tran, LLC S Potato LLC	Chandler Shopping Center	3111 W. Chandler Boulevard Chandler, AZ 85226
	Dinh Tran* Md Rojibul Hasan Rumi	(408) 455-9362	D-Tran, LLC-2 S Potato LLC	Arrowhead Towne Center	7700 W. Arrowhead Towne Center Glendale, AZ 85308
	Dinh Tran	(408) 455-9362	D-Tran, LLC-3	Arizona Mills	5000 S Arizona Mills Cir, Tempe, AZ 85282
California	Cheuk Chan (Matthew Li)	(626) 888-9288	MAZ Professional Group, Inc.	Valley Plaza	2701 Ming Ave, Space 5530, Bakersfield, CA 93304
	Cheryl Lim, Jocelyn Lim	(818) 306-0886	Serena Concessions, LLC	Topanga	6600 Topanga Canyon Blvd. Canoga Park, CA 91303
	Peter Duong	(626) 693-4466	Tourane City, LLC	Culver City	6000 Sepulveda Blvd Culver City, CA 90230
	Joseph Mercado	(714) 452-4840	FROMAR, LLC	North County	272 E Via Rancho Pkwy # 9030, Escondido, CA 92025
	Guy Koren** _T	(310) 593-1581	NKM Capital Group	Santa Anita	400 S. Baldwin Ave, #9015, Arcadia, CA 91007
	Guy Koren** _T	(310) 593-1581	NKM Capital Group	Santa Anita	400 S. Baldwin Ave, #9250, Arcadia, CA 91007
	Guy Koren** _T	(310) 593-1581	J&K Americana	Americana	620 Americana Way, Glendale, CA 91210
	Guy Koren** _T	(310) 593-1581	J&K Lakewood	Lakewood	500 Lakewood Center Mall #323 Lakewood, CA 90712
	Guy Koren** _T	(323) 951-1155	J&K PC Trucks LLC	Los Angeles Food Truck (Los Angeles)	Los Angeles, CA
	Guy Koren** _T	(323) 951-1155	J&K Ontario, LLC	Ontario Mills	1 Mills Circle, Ontario, CA 91764
	Guy Koren**	(323) 951-1155	HLK Milpitas, LLC	Milpitas	447 Great Mall Dr, Milpitas, CA 95035
	Guy Koren**	(323) 951-1155	GK Cerritos, LLC	Cerritos	239 Los Cerritos Center, Cerritos, CA 90703
	Guy Koren**	(323) 951-1155	J&K Valley Fair, LLC	Valley Fair	2855 Stevens Creek Blvd, Santa Clara, CA 95050
	PCJV USA, LLC	(323) 951-1155	PCJV USA, LLC	Stonewood	251 Stonewood St, Downey, CA 90241
	<u>PCJV USA LLC</u>	<u>(323) 951-1155</u>	<u>PCJV USA LLC</u>	<u>Roseville</u>	<u>1151 Galleria Blvd., Roseville, CA 95678</u>

	Franchisee	Contact Number	Entity	Location	Store Address
	Mansi Khan*	(909)762-0505	Neha Enterprises, LLC	Moreno Valley	22500 Town Cir. Moreno Valley, CA 92553
	Mansi Khan	(909)762-0505	Neha Enterprises II, LLC	Montclair Place	5060 N Montclair Plaza Ln, Montclair, CA 91763
	Leo Tedja	(310) 989-9100	V+L Holding, Inc.	Plaza Bonita	3030 Plaza Bonita Road #2075 National City, CA 91950
	Umar Malik	(504) 812-8358	UAM Group, LLC	Northridge	9301 Tampa Avenue #5537 Northridge, California 91324
	Gabriella Wright	(909) 921-8381	The Wright Spuddies, LLC	Roseville (CA)	1151 Galleria Blvd., Roseville, CA 95678
	Ramon Navos	(626) 756-0975	Fulay-Moral, LLC	Haven City Market	8443 Haven Ave, Rancho Cucamonga, CA 91730
Florida	Andrea Arellano*	(305) 254-1074	AMC Florida, Inc.	Southland Mall	20505 S Dixie Hwy, Miami, FL 33189
	Andrea Arellano*	(305) 254-1074	AMC Florida, Inc.	Food Truck (Miami)	13012 SW 128th Street, Miami, FL 33186
Georgia	Patrick Liang*	(404) 536-6567	Cirota Corporation	North Point Mall	1000 N. Point Circle, Alpharetta, Georgia 30022
Hawaii	Ricky Bonilla*	(808) 724-1664	BMR Restaurant, LLC	Waipahu Town Center	94-050 Farrington Hwy, Waipahu, HI 96797
Minnesota	Lijoo Mazhar	(952) 200-3740	Altabiz Consulting, Inc.	Rosedale (MN)	10 Rosedale Shopping Ctr. Roseville, MN 55113
Nevada	Michael Zeng	(702) 217-4017	PCLV Three, LLC	Town Square	6605 Las Vegas Blvd S #106, Las Vegas, NV 89119
New Jersey	Ali Taiyab	(201) 776-5412	Bon Fry, Inc	Jersey Gardens	651 Kapkowski Rd, Elizabeth, NJ 07201
New Mexico	Malik Hussain*	(713) 298-9284	MAF Capital Group	Cottonwood	10000 Coors Blvd Bypass NW, Albuquerque, NM 87114
	Malik Hussain*	(713) 298-9284	PC New Mexico, LLC	Coronado	6600 Menaul NE, Albuquerque, NM 87110
	Malik Hussain	(713) 298-9284	Pb Café Uptown, LLC	ABQ Uptown	2240 Q St NE Ste 10J, Albuquerque, NM 87110
New York	Mark Zhang	(646) 643-0539	The Heritage Era, LLC	Queens Center	90-15 Queens Blvd., Elmhurst, NY 11373
	Ryan Nath	(516) 263-9595	Let Begin Corporation	Broadway Commons	358 N Broadway Hicksville, NY 11801

	Franchisee	Contact Number	Entity	Location	Store Address
Texas	Frank Shaikh*	(801) 946-1637	Mabuhay Investments, LLC	Arlington	3811 S Cooper St, Arlington, TX 76015
	Frank Shaikh*, Derrick Corpuz, Brian Corpuz	(801) 946-1637	PC TX Grapevine Mills, LLC	Grapevine Mills	3000 Grapevine Mills Parkway Grapevine, TX 76051
	Frank Shaikh*	(801) 946-1637	MAF Capital Group, LLC	South Plains (Lubbock)	6002 Slide Road Lubbock, TX 79414
	Frank Shaikh*, Melinda Corpuz, Maybin Simfukwe	(801) 946-1637	Mabuhay Investments, LLC	Town East	2063 Town East Mall # 5526 Mesquite, TX 75150
Washington	Vannrada Lai	(562) 754-9239	Beyond Business, Inc.	Seattle Southcenter	2800 Southcenter Mall Seattle, WA 98188

* Area Developer

** Affiliate-Owned Outlet

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

LIST OF FRANCHISEES WHO TRANSFERRED THEIR RESTAURANTS TO NEW OWNERS
AS OF DECEMBER 31, 202~~3~~²

~~None.~~

<u>Original Owner</u>	<u>Contact Number</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>Dinh Tran*</u>	<u>(408) 455-9362</u>	<u>9494 S Michele Lane</u>	<u>Tempe</u>	<u>AZ</u>	<u>85284</u>

LIST OF FRANCHISEES WHO HAD AN OUTLET TERMINATED, NOT RENEWED, REACQUIRED
BY FRANCHISOR, OR CEASED OPERATIONS FOR OTHER REASONS
AS OF DECEMBER 31, 202~~3~~²

~~None.~~

Franchisee	Contact Number	City	State
<u>Gabriella Wright</u>	<u>(909) 921-8381</u>	<u>Fontana</u>	<u>CA</u>

LIST OF FRANCHISEES WHO SIGNED FRANCHISE AGREEMENTS, BUT WHOSE
RESTAURANTS WERE NOT OPEN
AS OF DECEMBER 31, 202~~3~~²

Franchisee	Contact Number	City	State
Warren Delfin*	(650) 201-6025	Fairfield	CA
Ramon Navos	(626) 756-0475	Chino Hills	CA
Warren Delfin*	(650) 201-6025	Hayward	CA
Warren Delfin*	(650) 201-6025	Vallejo	CA
Wei Zhang	(626) 715-6755	Huntington Beach	CA
Nipul Shah	(407) 435-8909	Orlando	FL
Ricky Bonilla	(808) 724-1664	Kapolei	HI

* Area Developer

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

<u>State</u>	<u>Effective Date</u>
California	June 6, 2023 <u>Pending</u>
Hawaii	August 16, 2023 <u>Pending</u>
Illinois	June 29, 2023 <u>Pending</u>
Michigan	June 21, 2023 <u>Pending</u>
Washington:	July 31, 2023 <u>Pending</u>

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

PCJV USA, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L
RECEIPTS

RECEIPT

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

If PCJV USA, LLC offers you a franchise, PCJV USA, LLC must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

If PCJV USA, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit J.

The franchisor is PCJV USA, LLC located at 8657 Hayden Place, Culver City, California 90232, Telephone: 323-951-1155.

Issuance Date: ~~May 25, 2023~~ April 17, 2024.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: Guy Koren, Ashley Grudnowski and Seymour Floyd, each with the principal business address at PCJV USA, LLC, 8657 Hayden Place, Culver City, California 90232, Telephone: 323-951-1155;

We authorize the persons and/or entities listed on Exhibit J to receive service of process for us.

I have received a Disclosure Document dated ~~May 25, 2023~~ April 17, 2024. This Disclosure Document includes the following Exhibits:

Exhibit A: Franchise Agreement

Exhibit B: Multi-Unit Development Agreement

Exhibit C: Mobile Restaurant Addendum

Exhibit D: Option to Obtain Lease Assignment

Exhibit E: Confidentiality Agreement for
Prospective Franchisees

Exhibit F: Non-Disclosure and Confidentiality Agreement
for Employees of Franchisee

Exhibit G: General Release

Exhibit H: State Specific Addenda

Exhibit I: Financial Statements

Exhibit J: State Administrators and Agents for
Service of Process

Exhibit K: List of Franchisees

EFFECTIVE DATES

Exhibit L: Receipts

Date

Franchisee

Date

Franchisee

Please sign this copy of the Receipt, date your signature, and return it to: PCJV USA, LLC, Attn: Guy Koren, 8657 Hayden Place, Culver City, California 90232, Telephone: 323-951-1155; Email: guy@potatocornerusa.com.

RECEIPT

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

If PCJV USA, LLC offers you a franchise, PCJV USA, LLC must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

If PCJV USA, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit J.

The franchisor is PCJV USA, LLC located at 8657 Hayden Place, Culver City, California 90232, Telephone: 323-951-1155.

Issuance Date: ~~May 25, 2023~~ April 17, 2024.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: Guy Koren, Ashley Grudnowski and Seymour Floyd, each with the principal business address at PCJV USA, LLC, 8657 Hayden Place, Culver City, California 90232, Telephone: 323-951-1155;

We authorize the persons and/or entities listed on Exhibit J to receive service of process for us.

I have received a Disclosure Document dated ~~May 25, 2023~~ April 17, 2024. This Disclosure Document includes the following Exhibits:

Exhibit A: Franchise Agreement

Exhibit B: Multi-Unit Development Agreement

Exhibit C: Mobile Restaurant Addendum

Exhibit D: Option to Obtain Lease Assignment

Exhibit E: Confidentiality Agreement for
Prospective Franchisees

Exhibit F: Non-Disclosure and Confidentiality Agreement
for Employees of Franchisee

Exhibit G: General Release

Exhibit H: State Specific Addenda

Exhibit I: Financial Statements

Exhibit J: State Administrators and Agents for
Service of Process

Exhibit K: List of Franchisees

EFFECTIVE DATES

Exhibit L: Receipts

Date

Franchisee

Date

Franchisee

Keep this copy for your records. This Disclosure Document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.potatocornerusa.com