FRANCHISE DISCLOSURE DOCUMENT

Roy Rogers Franchise Company, LLC
A Maryland limited liability company
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Frederick, Maryland 21703
(301) 695-5051
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The franchisee will operate a quick service restaurant business which specializes in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, and special limited-time offer menus for on-premises, "drive-thru" and carry-out consumption (a "**Roy Rogers Restaurant**").

The total investment necessary to begin operation of a Roy Rogers Restaurant ranges from $1,235,250 to $1,580,950 for a newly constructed Roy Rogers Restaurant, $817,250 to $967,950 for an InLine/Strip Center Restaurant, and $755,250 to $1,365,250 for the conversion of an existing restaurant to a Roy Rogers Restaurant. This includes $30,000 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement to develop multiple Restaurants in a specified area, you must also pay the franchisor an area development fee that will depend on the number of Restaurants that you develop. We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ms. Ginger Trautman at 4991 New Design Road, Suite 109, Frederick, Maryland 21703, and (301) 695-5051.

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

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

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

Issuance Date: April 29, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
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 Roy Rogers 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 Roy Rogers franchisee?	Item 20 or Exhibits F and G 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 D.

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

Special Risks to Consider About *This* Franchise

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

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

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.

ROY ROGERS
FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor

Roy Rogers Franchise Company, LLC ("**us**," "**our**" or "**we**") is the franchisor.

We are a Maryland limited liability company, and we were formed on June 6, 2002. We maintain our principal place of business at 4991 New Design Road, Suite 109, Frederick, Maryland 21703. We do not maintain sales offices at any location other than our principal place of business. We do not use any sales brokers or other sales organizations. We do not conduct business under any other name.

We conduct business under the name and mark "Roy Rogers."

We franchise the right to operate a Roy Rogers Restaurant (the "**Restaurant**"). We began offering Roy Rogers franchises in September 2003. We do not offer any franchises other than as described in this Disclosure Document, and we do not engage in any business activity other than such franchising activities and the operation of restaurants using the "Roy Rogers" name and mark.

Our Parents, Predecessors and Affiliates

The Roy Rogers Restaurant concept was started in 1968. The system was originally owned, operated and franchised by a subsidiary or division of a predecessor company of Marriott International, Inc. ("**Marriott**"). Prior to April 1990, Marriott and/or its affiliates transferred to MRO Mid-Atlantic Corp. ("**MRO**"), then an affiliate of Marriott, all of the assets related to the Roy Rogers Restaurant system (the "**System**"), including the trademarks, the franchise system, and franchise rights to the System. In April 1990, Hardee's Food Systems, Inc. ("**Hardee's**") acquired MRO from a predecessor of Marriott. Hardee's then acquired from MRO the assets of the System, became the franchisor of the System, and continued as such until mid-1997. In 1997, when many of the assets of Hardee's were acquired by a third party, the assets of the System, including the trademarks, the franchise system, franchise rights, and then-existing Franchise Agreements were assigned to MRO. On July 12, 2002, we acquired from MRO all of MRO's rights in, and assets relating to, the System, including, among other things, trademarks, the proprietary trade secrets and recipes, other assets of the System, and the then-existing Franchise Agreements regarding the operation of Roy Rogers Restaurants. We are individually owned and as such have no parent entity.

MRO is our only predecessor. MRO is a Delaware corporation, with its principal place of business at 1 Blue Hill Plaza, P.O. Box 1588, Pearl River, New York, 10965-8588. MRO does not, nor did it in the past, operate Roy Rogers Restaurants. MRO acted as "franchisor" of the Roy Rogers Restaurant system from 1997 until our acquisition of assets in July 2002. MRO does not, nor did it in the past, offer franchises in this or any other line of business.

As of December 31, 2021, there were 43 Roy Rogers Restaurants operating under the System (defined below). The then-existing franchisees who were franchisees at the time we acquired the assets of MRO ("**Existing Franchisees**") previously entered into license agreements or Franchise Agreements (the "**Old Franchise Agreements**") with Hardee's, or with a Marriott affiliate or predecessor, prior to Hardee's acquisition of MRO. As discussed above, those Old Franchise Agreements were later assigned by Hardee's to MRO. The Old Franchise Agreements were assigned by MRO to us on July 12, 2002. Some of the franchisees who signed Old Franchise Agreements have since converted to more modern franchise agreements, which provide favorable terms to those who made the conversion. Those conversion terms are not available to any prospective franchisees. We refer to the existing franchisees in this Disclosure Document as "**Existing Franchisees**."

Our affiliate, Plamondon Enterprises, Inc. ("**PEI**"), is a Maryland corporation, and was incorporated on December 21, 1979. PEI maintains its principal place of business at 4991 New Design Road, Suite 109, Frederick, Maryland 21703. PEI currently owns and operates 23 Roy Rogers Restaurants which, as they are not subject to the terms of any franchise agreement, are considered to be "company-owned" Restaurants. PEI has never offered franchises in any line of business.

We also have another affiliate, J&P Plamondon Associates, LLC, ("**J&P Associates**"), a Maryland limited liability company whose principal place of business is at 4991 New Design Road, Suite 109, Frederick, Maryland, 21703. J&P Associates is a real estate and property construction company which has in the past acquired or leased property and/or constructed restaurants for PEI. In limited and special circumstances, J&P may acquire property and/or construct restaurants for use as a Roy Rogers Restaurant, and may sell and/or lease the property or restaurant to a franchisee. J&P Associates has never offered franchises in any line of business.

Our affiliate Roy Rogers Trademark Company, LLC ("**RRTC**"), is a Maryland limited liability company, with its principal place of business at 4991 New Design Road, Suite 109, Frederick, Maryland 21703. On August 21, 2003 we entered into an Intellectual Property Assignment Agreement with RRTC granting them all the right, title, and interest in the trademarks, service marks, domain names, format and system, and other intellectual property (the "**Intellectual Property**") associated with the System and franchise business. By License Agreement dated August 21, 2003, we acquired from RRTC the right to use and to sublicense to franchisees the Intellectual Property. RRTC has never offered franchises in any line of business.

The Franchise Offered

Roy Rogers Restaurants

Roy Rogers Restaurants are quick service restaurant businesses which specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, and special limited-time offer menus for on-premises, "drive-thru", delivery and carry-out consumption, and include the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items. Roy Rogers Restaurants are characterized by our format and System and are operated in buildings or other locations that bear our trade dress (interior, exterior, or both).

The distinguishing characteristics of the System include a specially-designed building or facility for restaurant operations, with specially developed equipment, equipment layouts, and signage; distinctive interior and exterior design, trade dress and accessories; specialized products, and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance; and advertising and promotional programs, all of which we may change, improve, and further develop from time to time.

We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Roy Rogers," and such other trade names, service marks, and trademarks we now designate (and may in the future designate, in writing) for use under the System (the "**Proprietary Marks**").

Franchisees must operate their Restaurant according to our standards and procedures, as set out in our Confidential Operating Manual (the "**Manual**"). We will provide each franchisee with access to the Manual for the duration of the Franchise Agreement. In addition, we will grant each franchisee the right to use the Proprietary Marks that we designate in writing for use with the System.

Generally, Restaurants will be operated from an indoor structure that will typically be a freestanding building of about 2,750-3,300 square feet, located in a high traffic (foot and/or vehicle traffic) area. We expect that many of the freestanding sites will also have a drive-thru window, although that is not a requirement for all new Restaurants. In addition, under certain circumstances, we may also grant locations for Roy Rogers Restaurants in strip center sites or captive audience sites (such as malls or airports). The typical strip center site (which we refer to as "InLine/Strip Center") will generally be smaller than a freestanding Restaurant, but it will serve the full range of menu items. A captive audience site, such as a mall food court or airport site, may have a slightly more limited menu. Unless otherwise indicated in this Disclosure Document, all references to "Restaurant" and descriptions of terms and conditions of the Franchise Agreement will apply to all of the variations of the form of Restaurant. We expect that there will be some variations from Restaurant to Restaurant, but we will have the final approval of all sites, as well interior and exterior appearances and the size and square footage of each building.

Franchise Agreement

We intend to offer Franchise Agreements ("**Franchise Agreements**") to qualified entities and persons ("**you**") that wish to establish and operate Restaurants. (In this Disclosure Document, "you" means the person or legal entity with whom we enter into an agreement. This person or entity will be the "**franchisee**." The term "**you**" also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or limited liability partnership that signs a Franchise Agreement as the "**franchisee**.") The form of Franchise Agreement that we intend to offer to you is attached to this Disclosure Document as **Exhibit A**.

Under the Franchise Agreement, we will grant you the right (and you will accept the obligation) to operate a Roy Rogers Restaurant at an agreed-upon specified location (the "**Approved Location**"). Prior to entering into the Franchise Agreement, you and we will enter into a preliminary site development agreement ("**Preliminary Site Development Agreement**"), which will govern the selection of the site for the Restaurant. The Preliminary Site Development Agreement is attached to this Disclosure Document as **Exhibit B**, and the site evaluation and approval procedures are described in **Item 11** below.

Area Development Agreement

We also may offer an area development agreement (the "**Area Development Agreement**") to qualified entities and persons ("**you**" or the "**developer**"). The Area Development Agreement grants you the right to establish and operate a specified number of Restaurants in a specified area (the "**Development Area**") at specific locations to be designated in separate Franchise Agreements. The form of Area Development Agreement that we intend to offer is attached to this disclosure document as **Exhibit C**.

If you sign an Area Development Agreement, you must open each Restaurant according to the schedule for developing Restaurants described in Exhibit A to the Area Development Agreement (the "**Development Schedule**"). The developer will exercise each development right by executing a Franchise Agreement for the establishment and operation of a Restaurant.

The number of Restaurants to be established under the Development Schedule will be mutually determined by you and us. Factors that may affect the size of the Development Area include your wishes, the economic, demographic and expansion capacity of the area contemplated, the competition in the area, your prior development and operational experience and financial capacity and the number of Restaurants you will develop. We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement. During the term of the Area Development Agreement you must operate and maintain at least the number of Restaurants which are required to be established according to the terms of the Development Schedule.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Restaurant operations, including, for example, health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must obtain real estate permits (*e.g.*, zoning), real estate licenses, and operational licenses. There also may be regulations that pertain to sanitation, labeling, food preparation, food handling, grease and other waste disposal, environmental compliance, and food service (such as the U.S. Food and Drug Administration's "Food Code"). Certain states or local jurisdictions may enact or impose laws, regulations, or rules directed toward owners and operators of restaurants and/or retail stores that operate as a chain, or under a similar brand name, even if the other locations in the chain are not in the same jurisdiction or state. These laws, regulations, or rules may regulate minimum wages, employee benefits, and other labor or employment practices, menu labeling or food content, or other aspects of your business. We are not aware of any other regulations or laws directed solely or specifically to restaurants, quick-service restaurants, or fast casual restaurants, of the type that are described in this Disclosure Document. You should consult with your attorney concerning all federal, state, and local laws and ordinances that may affect your Restaurant's operation.

Competition

You can expect to compete in your market with locally-owned businesses, as well as with national and regional chains, that offer a quick service restaurant experience, including those that specialize in the sale of hamburgers, sandwiches, chicken, french fries, and/or ice cream, as well as products that may not be offered at a Roy Rogers Restaurant, such as pizza or Tex-Mex food. The market for these businesses is well-established and highly competitive. Quick-service restaurant concepts compete on the basis of many factors, such as price, service, location, product quality, promotions and marketing programs. These businesses are often affected by other factors as well, such as changes in consumer taste, economic conditions, seasonal population fluctuation, and travel patterns.

ITEM 2
BUSINESS EXPERIENCE

Co-President: James N. Plamondon

James Plamondon has been our Co-President since our inception in June 2002. He is also currently, and has been since April 1998, Co-President of Plamondon Enterprises, Inc. in Frederick, Maryland. Prior to that, from February 1996 to April 1998, he was Director of Administration and General Counsel for Plamondon Enterprises, Inc. in Frederick, Maryland.

Co-President: Peter H. Plamondon, Jr.

Peter Plamondon has been our Co-President since our inception in June 2002. He is also currently, and has been since April 1998, Co-President of Plamondon Enterprises, Inc. in Frederick, Maryland. Prior to that, from February 1993 to April 1998, he was Director of Real Estate and Construction for Plamondon Enterprises, Inc. in Frederick, Maryland.

Chief Financial Officer: Edward Prensky

Edward Prensky, CPA, has been the Chief Financial Officer since September 2007.

Human Resources Director: Lynn Norris

Lynn Norris has been our Human Resources Director since July 2021. Lynn is also currently, and has been since July 2021, the Human Resources Director of Plamondon Enterprises, Inc. in Frederick, Maryland. Prior to that, from July 2019 to May 2020, Lynn was the Senior Director of Human Resources for Utz Quality Foods in Hanover, Pennsylvania. Lynn was also Senior Director of Human Resources for Rite Aid in Camp Hill, Pennsylvania from November 2012 to July 2019.

Director of Operations: Al Jones

Al Jones became Director of Operations in June 2018. He was a Franchise Business Consultant from January 2003 and June 2018 and a District Manager for the brand from May 1990 to January 2003.

Director of Construction & Facilities Gary Fennell

Gary Fennell has been the Director of Construction and Facilities since January 2005.

Director of Procurement Kevin Demeritt

Kevin Demeritt became the Director of Procurement in June 2016. He was Supply Director with Sodexo North America in Gaithersburg, Maryland from October 2004 to June 2016.

Director of Real Estate and Franchise Development Joseph Briglia

Joseph Briglia became the Director of Real Estate and Franchise Development in April 2015. He was a self-employed consultant from October 2014 to March 2015. He was Vice President of Development for Venueworks of Iowa from April 2011 to September 2014.

Senior Director of Marketing Mark Jenkins

Mark Jenkins became Senior Director of Marketing in June 2018. He was director of Brand Marketing for CKE Restaurants in Nashville, Tennessee from October 2016 to December 2017. He was Director of Product Marketing for CKE Restaurants in Nashville, Tennessee from August 2005 to September 2016.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you must pay to us an initial franchise fee of $30,000 (the "**Initial Franchise Fee**") for the right to establish a single Restaurant under that agreement. The Initial Franchise Fee is non-refundable and fully earned when you sign the agreement, in consideration of administrative and other expenses incurred by us in granting the franchise and for our lost or deferred opportunity to franchise to others. Except as described below, the Franchise Fee is uniform.

Preliminary Site Development Agreement

If you do not intend to enter into an Area Development Agreement, and if you do not know the

location of the proposed Restaurant before you sign the Franchise Agreement, you will enter into a Preliminary Site Development Agreement. You must pay us a "**Site Selection Fee**" of $10,000 upon signing the Preliminary Site Development Agreement. If you are successful in finding a site for the Restaurant, and you sign a Franchise Agreement with us, then the Site Selection Fee actually paid by you will be credited to your requirement to pay an Initial Franchise Fee under the Franchise Agreement as described above. The Site Selection Fee is non-refundable and fully earned when you sign the agreement, in consideration of administrative and other expenses incurred by us in granting the Site Selection Area and for our lost or deferred opportunity to offer that Site Selection Area to others. The Site Selection Fee is uniform.

Area Development Agreement

When you sign an Area Development Agreement, you must pay us a territorial development fee (the "**Development Fee**"). We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement. A typical Area Development Agreement might provide for the development of at least three Restaurants, in which case the Development Fee will be equal to $10,000 for each Restaurant that you develop under the Area Development Agreement. The Development Fee must be paid in a single, lump sum on the date you sign the Area Development Agreement. The Development Fee is fully earned and non-refundable when paid, in consideration of administrative and other expenses we incur in granting the Area Development Agreement and for our lost or deferred opportunity to offer that Development Area to others. After signing the Area Development Agreement, you must enter into a Franchise Agreement based on our then-current form for each Restaurant to be developed under the agreement timeline. The Initial Franchise Fee for each Franchise Agreement is paid in addition to the Development Fee. The Development Fee is not applied toward the Franchise Fee. The calculation and structure of the Development Fee is uniform for all developers.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	**Amount**	**Due Date**	**Remarks**
Royalty	5% of Gross Sales	Each Month, on or before the tenth business day, calculated on the Gross Sales for the prior Month	See Note 2 for the definition of "Gross Sales" and "Month."
Marketing Contribution (Note 3)	Up to 3% of Gross Sales	Same as Royalty	See the description of "Gross Sales" above.
Transfer Fee (Franchise Agreement)	If a transfer would result in a change in control of franchisee, 50% of then-current initial franchise fee.	At time of transfer	Payable only if you make a transfer (as defined in the Franchise Agreement), which includes the sale of your franchise or your company.

Type of Fee (Note 1)	**Amount**	**Due Date**	**Remarks**
Transfer Fee (Area Agreement)	$10,000, plus $5,000 for each Restaurant that is required to be operated under the Area Development Agreement for which there is not an executed Franchise Agreement	At time of transfer	Payable only if you make a transfer (as defined in the Area Development Agreement), which includes the sale of a Restaurant or your company. This transfer fee is in addition to any transfer fees paid under any Franchise Agreements that are subject to the Area Development Agreement.
Interest on Overdue Amounts	1.5% per month on the underpayment (Note 4)	Upon demand	Only due if you don't pay us the amounts you owe on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.
Costs and Attorneys' Fees	Will vary under circumstances	Upon demand	Only if you are in default under the Franchise Agreement, in which case you must reimburse us for the expenses we incur (including reasonable attorneys' fees) as a result of your default and to enforce and terminate the agreement.
Insufficient Funds/ Canceled Check	$250	Upon demand, if incurred	If you make a payment to us by check and such check is returned to you from a financial institution without having made payment to us, or if you have insufficient funds in your account to satisfy the electronic funds transfer for payments due to us, then we have the right to charge you the fee for each such returned check, or notice of insufficient funds.
Renewal Fee	Our then-current Initial Franchise Fee	Upon renewal of the Franchise Agreement	Upon renewal of the Franchise Agreement, you must pay to us a renewal fee equal to our then-current Initial Franchise Fee (as required under the new Franchise Agreement that you will enter with us upon renewal)
Supplier Testing	Will vary	Upon demand, if incurred	If you propose a new supplier of products, and we inspect the supplier or test the supplier's products, we may charge you or the supplier for our costs in conducting those inspections or running those tests.
Audit Costs	All costs and expenses associated	Upon demand	Payable only if we audit because you did not submit sales statements or keep

Type of Fee (Note 1)	**Amount**	**Due Date**	**Remarks**
	with the audit, reasonable accounting and legal costs.		books and records, or if you underreport your sales or underpay your royalties by 2% or more. (You will also have to pay interest on the underpayment (see "interest" above and Note 4).)
Management Fee	Will vary under circumstances	As incurred	Upon your (or the Principal Owner's) death or disability, we will have the right to enter the premises of the Restaurant and operate it until such time as we deem necessary, for which you must pay us a reasonable management fee which will be set forth in the Manuals, to compensate us for our costs and expenses in connection with operating the Restaurant.
Indemnity	Will vary under circumstances	As incurred	You must indemnify us, and reimburse us for our costs (including our attorneys' fees) if we are sued or held liable in any case having anything to do with your business operations.
Additional training or assistance	Our per-diem charges, plus our out-of-pocket costs	Upon demand	If you ask that we send trainers or personnel to your restaurant for additional training or assistance, or we determine that additional training or assistance is needed, then you will have to pay our trainers' or personnel's expenses and our then-current per diem charge for extra training. Our current per diem charge is $300 per trainer or other individual per day (we reserve the right to change our per diem rate in the future).
Initial Training for Replacement Highly Trained Personnel	$1,500 per attendee	Upon demand	If one of your Highly Trained Personnel leaves her or his position, we will charge you a fee to train her or his replacement.
Certified Training Restaurant Certification Fee	$3,000	Upon demand	If you agree to open more than three Restaurants pursuant to an Area Development Agreement, by the time your third Restaurant is scheduled to open under the Development Schedule, you must have received certification from us for one of your Restaurants to serve as a certified training Restaurant at

Type of Fee (Note 1)	Amount	Due Date	Remarks
			which training for subsequent Restaurants will be held. The Training Restaurant Certification Fee is payable at the beginning of the certification process to compensate us for our time, costs and expenses associated with the certification process.

Notes:

1. All fees are non-refundable.

2. The term "**Gross Sales**" means all revenue from the sale of all products, including all food and beverage products, all merchandise, and other products or services offered at or from the Restaurant (including, but not limited to, catering and delivery sales), and all other income of every kind and nature related to, derived from, or originating from the Restaurant, including revenue from ATMs, and proceeds of any business interruption insurance policies, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Gross Sales" excludes any customer refunds, sales taxes, and/or other taxes collected from customers by you and actually transmitted to the appropriate taxing authorities. Revenue from gift cards shall be considered "Gross Sales" in accordance with Franchisor's then-current gift card policy. Under this policy, revenue from gift cards is not considered "Gross Sales" until the gift card is redeemed.

   If we require, you must pay your royalties and advertising fund contributions by electronic fund transfer or automated clearing house ("**ACH**"). Your payment, or our "sweep" of your account by ACH, will occur on the tenth business day of each Month. For this purpose, the term "**Month**" means a calendar month or such other period of time as we may designate; provided, however, that we will not designate more than 13 periods during each calendar year as a "Month."

3. This contribution of up to 3% is to the system-wide Marketing Fund. See **Item 11** for further discussion of the Marketing Fund. We require different kinds of advertising and promotional efforts depending upon where you will operate your Restaurant (for example, in a city, a suburban area, or in a resort community).

   At present, there are no cooperative marketing or advertising funds ("**Cooperatives**") in our System. If a Cooperative is formed for the region in which the Restaurant is located, then, as described in **Item 11**, the amount of your contribution to the Cooperative will be determined by the Cooperative, by a vote of its members, with one vote for each Roy Rogers Restaurant operating under the System (whether franchised, company-owned or affiliate-owned) within the geographic region of the Cooperative. Further details about the applicable advertising and promotional requirements can be found in **Item 11**, under the subheading "Advertising."

4. Interest starts to accrue when your payment was initially due. Interest rates will not exceed any maximum rate that may be imposed under applicable law.

In addition, our affiliate, PEI, will operate our company-owned Roy Rogers Restaurants under, and in conformance with the System. However, since PEI operates our company-owned Restaurants, PEI is not required to pay any franchise fees, although it does make standard contributions to the Marketing Fund. All of the above fees are otherwise uniformly imposed on all franchisees operating under the franchise program offered in this Disclosure Document.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

New Construction Restaurant (for "Ground Up")

Type of expenditure	Amount/ (Low-High Range)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (1)	$30,000	Lump sum	Upon signing Franchise Agreement	Us
Real Estate Leasing (2)	$7,500 to $12,500	As incurred	As agreed	Landlord or land owner
Leasehold Improvements (3)	$688,000 to $842,000	As incurred	Progress payments during construction (usually with the final 10% upon completion)	General Contractors
Furniture, Fixtures, Fixed Assets, and Smallwares	$73,000 to $88,700	Lump sum	Payment terms with suppliers	Suppliers
Equipment (4)	$210,000 to $247,000	As incurred	Payment terms with suppliers	Suppliers
Initial Inventory (5)	$12,000 to $18,000	Lump sum	Payment terms with suppliers	Suppliers
Grand Opening Marketing (6)	$10,000	As incurred	As incurred	Suppliers
Insurance (7)	$10,750 to $15,750	As incurred	As incurred	Insurance Providers
Signage (8)	$56,000 to $94,000	As incurred	As incurred	Suppliers
Training (9)	$41,000 to $55,000	As incurred	Payment terms with suppliers and employees	Suppliers and employees
Office Equipment and Supplies (10)	$4,000 to $6,500	As incurred	Payment terms with suppliers	Suppliers
Business License and Permits (11)	$8,000 to $12,000	As incurred	As incurred	Government Agencies

Type of expenditure	Amount/ (Low-High Range)	Method of payment	When due	To whom payment is to be made
	(not including Tap Fees)			
Professional Fees (12)	$32,000 to $75,000	As incurred	As incurred	Business professionals
Security/Utility Deposits (13)	$3,000 to $4,500	As arranged	As negotiated	Lender, Approved Suppliers
Additional Funds (three months) (14)	$50,000 to $70,000	As incurred	As incurred	Us, suppliers, employees and other creditors
Total Estimated Initial Investment for a new "Ground Up" construction (15)	$1,235,250 to $1,580,950			

InLine/Strip Center Restaurant

Type of expenditure	Amount/ (Low-High Range)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (1)	$30,000	Lump sum	Upon signing Franchise Agreement	Us
Real Estate Leasing (2)	$7,500 to $12,500	As incurred	As agreed	Landlord or land owner
Leasehold Improvements (3)	$320,000	As incurred	Progress payments during construction (usually with the final 10% upon completion)	General Contractors
Furniture, Fixtures, Fixed Assets, and Smallwares	$65,000 to $88,700	Lump sum	Payment terms with suppliers	Suppliers
Equipment (4)	$210,000 to $255,000	As incurred	Payment terms with suppliers	Suppliers
Initial Inventory (5)	$11,000 to $18,000	Lump sum	Payment terms with suppliers	Suppliers
Grand Opening Marketing (6)	$10,000	As incurred	As incurred	Suppliers
Insurance (7)	$10,750 to $15,750	As incurred	As incurred	Insurance Providers
Signage (8)	$15,000	As incurred	As incurred	Suppliers

Type of expenditure	Amount/ (Low-High Range)	Method of payment	When due	To whom payment is to be made
Training (9)	$41,000 to $55,000	As incurred	Payment terms with suppliers and employees	Suppliers and employees
Office Equipment and Supplies (10)	$4,000 to $6,500	As incurred	Payment terms with suppliers	Suppliers
Business License and Permits (11)	$8,000 to $12,000	As incurred	As incurred	Government Agencies
Professional Fees (12)	$32,000 to $55,000	As incurred	As incurred	Business professionals
Security/Utility Deposits (13)	$3,000 to $4,500	As arranged	As negotiated	Lender, Approved Suppliers
Additional Funds (three months) (14)	$50,000 to $70,000	As incurred	As incurred	Us, suppliers, employees and other creditors
Total Estimated Initial Investment for a new "InLine/Strip Center" unit (15)	$817,250 to $967,950			

Conversion Restaurant

Type of expenditure	Amount (Low-High Range)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (1)	$30,000	Lump sum	Upon signing Franchise Agreement	Us
Real Estate Leasing (2)	$7,500 to $12,500	As incurred	As agreed	Landlord or land owner
Leasehold Improvements (3)	$295,000 to $660,000	As incurred	Progress payments during construction (usually with the final 10% upon completion)	General Contractors
Furniture, Fixtures, Fixed Assets, and Smallwares	$50,000 to $72,000	Lump sum	Payment terms with suppliers	Us and suppliers
Equipment (4)	$180,000 to $255,000	As incurred	Payment terms with suppliers	Us and suppliers

Type of expenditure	Amount (Low-High Range)	Method of payment	When due	To whom payment is to be made
Initial Inventory (5)	$12,000 to $18,000	Lump sum	Payment terms with suppliers	Us and suppliers
Grand Opening Marketing (6)	$10,000	As incurred	As incurred	Suppliers
Insurance (7)	$10,750 to $15,750	As incurred	As incurred	Insurance Providers
Signage (8)	$25,000 to $94,000	As incurred	As incurred	Suppliers
Training (9)	$41,000 to $55,000	As incurred	Payment terms with suppliers and employees	Suppliers and employees
Office Equipment and Supplies (10)	$4,000 to $6,500	As incurred	Payment terms with suppliers	Suppliers
Business License and Permits (11)	$5,000 to $7,000	As incurred	As incurred	Government Agencies
Professional Fees (12)	$32,000 to $ 55,000	As incurred	As incurred	Business professionals
Security/Utility Deposits (13)	$3,000 to $4,500	As arranged	As negotiated	Lender, Approved Suppliers
Additional Funds (three months) (14)	$50,000 to $70,000	As incurred	As incurred	Us, suppliers, employees and other creditors
Total Estimated Initial Investment for a conversion unit (15)	$ 755,250 to $ 1,365,250			

Notes:

1. Initial Franchise Fee. This amount is discussed in detail in **Item 5**. The Initial Franchise Fee must be paid when the Franchise Agreement is signed and is non-refundable. As also described in **Item 5**, if an Area Development Agreement and/or a Preliminary Site Development Agreement are signed prior to the Franchise Agreement, then you must pay a Development Fee in an amount to be determined (as described in Item 5 above) and/or the Site Selection Fee in the amount of $10,000. The Initial Franchise Fee indicated in the table above neither includes a Development Fee nor a Site Selection Fee. The amount of the Site Selection Fee actually paid to us will be credited against your requirement to pay the Initial Franchise Fee upon signing the Franchise Agreement. We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement.

2. Lease/Rent. If you do not own a location for your Restaurant, you must purchase or lease a space. You will probably need to lease a space at least four months prior to opening; however, you may attempt to negotiate an abatement from the landlord. Restaurant locations and sizes vary. We expect that

Restaurants will typically be a freestanding building ranging from 2,750 to 3,300 square feet located in a high traffic (foot and/or vehicle traffic) area. Development of a Restaurant typically will require about one acre of land and 35 to 60 parking spaces.

Rent varies considerably from market to market, and from location to location within each market. The estimate provided assumes that you will pay a security deposit equal to one month's rent. Rents may vary beyond the range that we have provided, based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the Restaurant, the terms of the lease, and the desirability of the location, and you may incur additional "pass thru" proportional expenses such as common area maintenance, snow removal and property taxes. If you decide to purchase the property for the location of your Restaurant, you will incur additional costs that we cannot estimate.

If you are converting an existing restaurant that you own or lease, you will have lease (and other) expenses which you will know in advance. These may vary from the estimated range in the chart above.

3. Leasehold Improvements. You will need to construct improvements, or "build out," the premises at which you will operate the Restaurant. Such improvements may include installing a new or repairing an existing: roof, HVAC system, plumbing work, electrical system, and/or fixtures. In addition, leasehold improvements will include trade dress and other décor items, and may include landscaping, outdoor lighting, and improvements in the customer parking area. Note that this amount does not include any site work (preparing a level, compressed foundation) or the cost of bringing utilities to the property line, as these amounts vary considerably based on site location, lease terms, and/or tenant improvements or offsets provided by the landlord. Additionally, the figures in the tables differ depending upon whether you are constructing a new building for your Restaurant, or if you are converting an existing restaurant to a Roy Rogers Restaurant. We are not aware of any circumstances under which any related fees or costs are refundable. Costs are likely to vary, and may be much higher, if you already have or wish to establish your Restaurant in an area where special requirements of any kind (*e.g.*, historical, architectural, or preservation requirements) will apply.

Estimates for renovation work include renovation of the dining room, kitchen, and exterior of the building. Actual costs may vary due to the age and condition of the building. If, for example, substantial work must be done to HVAC, plumbing, electrical, roofing, or other systems, and/or you must comply with local zoning and historical preservation rules, you may experience renovation costs higher than shown in the chart. These factors are highly site-specific, and therefore we are not able to provide estimates for site-specific renovations. You should obtain appropriate professional advice from engineers and architects in order to more accurately assess renovation costs.

4. Equipment. The estimate is for the equipment you will need to operate the Restaurant, such as ovens, grills, prep tables, slicers, "Fixin's Bar,®" beverage bar (including beverage and ice dispenser machines), refrigeration, freezers, tables and chairs, small wares, security cameras, and point-of-sale (POS) system. Although you may already possess some of these items if you are converting an existing building to a Roy Rogers Restaurant, you nevertheless may be required to purchase some or all of these items in order to conform to our standards and specifications. You will need to obtain these items of equipment from sources of your own choosing, so long as the items you purchase meet our specifications and are from vendors that we have approved.

5. Initial Inventory. Items of inventory which you are required to obtain from us (although we currently do not offer any such items) or from our designated sources of supply are paid for at standard prices and terms. These items may include food, paper products and uniforms. All items of inventory which you obtain from sources of your own choosing are paid for directly to the supplier of those inventory items at prices agreed upon by you and the supplier. Start-up inventory of products and supplies will vary based on expected volume of business and size of storage areas in the building. This estimate is for the initial inventory only.

6. Grand Opening Marketing. We will assist you in tailoring a grand opening marketing program appropriate to your market. The estimate is for the initial promotion and advertising efforts you will need to make. These efforts must be completed within 30 days from the commencement of operations at the Restaurant. Additional details regarding the grand opening marketing program can be found in **Item 11**, under the subheading "Marketing."

7. Insurance. The estimate is for the annual premium for the policies required under the Franchise Agreement, and the required insurance policies are identified in Item 8 below. Insurance costs will vary depending upon factors such as the size and location of the Restaurant. Among the policies you must obtain are general liability insurance and product liability insurance with minimum limits of $1 million per occurrence, and an umbrella liability policy with minimum limits of $5 million per occurrence, which you will have to obtain through third parties, such as your own insurance agent. Your obligations with respect to insurance are more fully described in **Item 8**.

8. Signage. The cost of signs, which include interior and exterior menu boards, will vary from location to location depending on lease requirements, ordinances and restrictions, traffic patterns, competition, and related factors. In addition, other considerations – such as zoning ordinances, pylon height, as well as historical and architectural design standards – may affect your costs (both in terms of materials as well as professional fees that you will incur to get approval of your proposed signs). We will provide assistance to you in designing your signs; the final design must be submitted to us for our review and approval. You will pay your sign fabricator directly.

9. Training Expenses. For the initial training period, the "low" estimate assumes that you are located within commuting distance of our training facilities and that you do not incur *per diem* expenses. The "high" estimate assumes additional expenses, including travel, meals, auto and lodging. The cost you incur will vary depending upon factors such as the distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, *per diem* expenses actually incurred, and the number of persons who will attend training. See **Item 11** for further details.

10. Office Equipment and Supplies. These include things such as office supplies, first aid kits, fire extinguishers, and similar items.

11. Business License and Permits. You must obtain and maintain such food sanitation permits for yourself and your Highly Trained Personnel (defined in **Item 11**) as we may designate for the operation of the Restaurant. These fees are paid to governmental authorities before starting business, and can vary significantly from jurisdiction to jurisdiction and do not include any tap or impact fees which can be considerable.

12. Professional Fees. You will likely need to retain the services of architects, lawyers, accountants, engineers, and other professionals for assistance in acquiring or leasing the site, and building, or building out, the Restaurant. We expect that you might incur additional fees for such services in the context of a conversion of an existing outlet, as you may need more specialized or site-specific architectural services to conform the existing outlet to our standards and specifications, and to conform to any new governmental standards, or codes. The costs in the charts include architect and civil engineering fees for

new construction Restaurants, and architect fees only for in-line and conversion Restaurants (but as noted above, such fees may be higher due to remodeling situations).

13. Security/Utility Deposits. The figure is the estimated cost of telephone and utility deposits.

14. Additional Funds. You will need additional capital to support on-going expenses, such as monthly maintenance and support of POS systems, inventory and labor systems, PCI compliance solutions, loyalty and online ordering, brand marketing applications, payroll, and utilities, to the extent that these costs are not covered by sales revenue. You will also need to hire staff during construction or "build out" to prepare the Restaurant for opening, for training, orientation, and related pre-opening purposes. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be three months. We are not aware of any circumstances under which any related fees or costs are refundable. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. To the extent you already operate a restaurant business, some of these funds may not be applicable to you. Our estimate is based on what we have learned from the experiences of existing Roy Rogers Restaurants.

15. Total. We relied on the experience of the existing Roy Rogers Restaurants when preparing these figures, including two PEI Restaurants that were built in 2016 (these restaurants are located in Gainesville, Virginia and Cumberland, Maryland), one PEI Inline/Store Front Restaurant that was built in 2014, and conversions of three Restaurants by different franchisees in 2016 and PEI in 2013-14. You should review these estimates on your own, preferably with a business advisor of your own choosing. These costs may or may not be refundable depending upon the terms with your supplier.

Please note that we do not offer direct or indirect financing to you for any items. The availability and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions. Financing costs could range from $0 to $50,000 depending on whether you secure financing, or not, and if you do, the amount of the loan, loan terms, your credit history, and other factors. For instance, if you have no credit history or a weak credit history, suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

The figures in the chart and the explanatory notes are only estimates. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the Restaurant; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. Extensive start-up costs may be involved, depending upon your circumstances.

If you seek to open and operate multiple Restaurants under an Area Development Agreement, the chart above shows the estimated initial investment for each Restaurant that you develop.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To insure that the highest degree of quality and service is maintained, and present a consistent customer experience for the guests at the Restaurant, you must operate the Restaurant in strict conformity with the methods, standards, and specifications as we may from time to time prescribe in the Manuals or otherwise in writing.

At all times during the term of the Franchise Agreement, you must:

- offer for sale only those products for which we have given our written approval;
- sell or offer for sale all of the products that we require;
- use the ingredients and employ only the preparation standards and techniques that we specify;
- not deviate from our standards and specifications, including our requirements concerning preparation, unless you have received our prior written consent;
- stop selling and offering for sale any products or services that we have later disapproved; and
- keep the Restaurant open and in normal operation for such hours and days as we may from time to time specify in the Manuals or as we may otherwise approve in writing.

If you deviate (or propose to deviate) from our standards and specifications, whether or not we have approved, the deviation will become our exclusive property.

You must buy all products, ingredients, supplies, materials, and other products used or offered for sale at the Restaurant only from suppliers (including manufacturers, distributors, and other sources) that meet our specifications as set forth in the Manual and/or we have approved in writing. When considering whether to approve any particular possible supplier, we will consider (among others) the following factors: whether the supplier can show, to our reasonable satisfaction, the ability to meet our then-current standards and specifications; whether the supplier has adequate quality controls and capacity to supply the System's needs promptly and reliably; and whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies. You may not buy from any supplier that we have not yet approved in writing, and you must stop buying from any supplier who we approve, but later disapprove. As explained below, we have the right to designate only one supplier for certain items (such as distribution of products, soft drinks, etc.) in order to take advantage of marketplace efficiencies.

If you want to buy any products or any other items from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. You may not purchase from any proposed new supplier until we have reviewed and, if we think it is appropriate, approved in writing the proposed new supplier. Among other things, we will have the right to require that our representatives be permitted to inspect the proposed new supplier's facilities, and that samples from that supplier be delivered either to us or to an independent laboratory that we designate for testing. Either you or the proposed new supplier must pay us a charge (which will not exceed the reasonable cost of the inspection and the actual cost of the tests). Although there is no limit on the time we may take in evaluating a proposed new supplier, we typically will provide our approval or disapproval of a proposed supplier within 60 days of our receipt of all requested materials. We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including, for example, payment of reasonable continuing

inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers. We reserve the right, at our option, to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria. We will notify you in a timely manner if we revoke our approval of any supplier.

You must allow us or our agents, at any reasonable time, to remove samples of products offered in your Restaurant, without payment, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether those samples meet our then-current standards and specifications. We may require you to bear the cost of that testing if we did not previously approve in writing the supplier of the item or if the sample that we take from your Restaurant fails to conform to our specifications.

The Franchise Agreement also provides that you may not use any item bearing our trademarks without our prior written approval.

We estimate that your purchases from approved suppliers or in accordance with our specifications will represent approximately 95% of your total costs in establishing the Restaurant, and approximately 43.9% in the continuing operation of the Restaurant.

We may establish strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers that are willing to supply some products or services to some or all of the Restaurants in our system. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the franchised network of Restaurants.

We and our affiliates may collect and retain certain manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively, "**Allowances**") offered to us or to our affiliates by manufacturers, suppliers and distributors based upon your purchases of products and other goods and services. In 2021, we and our affiliates received Allowances based on purchases made by our affiliates and our franchisees. The Allowances vary by supplier, as some are calculated as a fixed amount based on quantities of a specific product purchased, and others are a lump sum determined by the supplier. During 2021 we received a total of $0 in Allowances, based on purchases from our franchisees. In addition, our affiliate, PEI, received Allowances in 2021 in the amount of $311,660 based on purchases at its Restaurants. PEI received these Allowances based on its purchases using the same calculations as are applicable to franchisees with regard to their purchases.

We do not negotiate purchase arrangements with suppliers specifically for franchisees, but many purchase arrangements are available to franchisees. We anticipate that as we continue to operate the System, we may in the future negotiate such arrangements with suppliers. We do not currently provide any material benefits to you based on your use of designated or approved suppliers.

Presently, neither we nor any of our affiliates are a direct supplier of any inventory, goods, supplies, fixtures, or equipment used in the operation of your Restaurant. There are no officers of us or our affiliates that own any ownership or financial interest in any currently approved supplier. There are no franchisee purchasing or distribution cooperatives.

Insurance

Under the Franchise Agreement, you must obtain and maintain the following insurance:

- Commercial General Liability Insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate;

- Workers' Compensation Insurance and Employers' Liability Insurance as required by the law of the state in which the Restaurant is located, including statutory workers' compensation limits and employers' liability limits of not less than $1,000,000;

- Business Automobile Insurance with a combined single bodily injury and property damage limit of $1,000,000 per occurrence;

- Commercial Umbrella Liability insurance with total liability limit of not less than $5,000,000;

- Property Insurance providing coverage for direct physical loss or damage to real and personal property for all-risk perils, including the perils of flood and earthquake;

- Employment Practices Liability with a limit of not less than $2,000,000 per claim and a retention limit of no more than $10,000.

- Network & Information Security Liability insurance with a limit of not less than $2,000,000. Coverage should include the theft and misuse of private or confidential customer information.

- if not covered under any other policies described above, products liability insurance in an amount not less than $1,000,000 which policy will be considered primary; and

- all other insurance required by law, by the lease or sublease for the Restaurant, or by us as stated in the Manual.

You must have your employees covered by your workers' compensation policies before you send them to initial training. Each insurance policy required under the Franchise Agreement must be issued by an issuer we approve, and must be licensed to do business in the state in which the Restaurant is located. Our criteria for insurance coverage are made available to you in the Manuals or otherwise in writing. All liability and property damage policies must name us as additional insureds and must provide that each policy cannot be cancelled unless we are given sixty days' prior written notice. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§ 1 in Franchise Agreement; §§ 1, 3, 4, 5, 6 and 7 in Preliminary Site Development Agreement; § 3 in Area Development Agreement	5, 10 and 11
b. Pre-opening purchases/leases	§ 5 in Franchise Agreement; §§ 3, 4, 5, 6 and 7 in Preliminary Site Development Agreement; 3.3 in Area Development Agreement	5, 7, 8 and 11
c. Site development and other pre-opening requirements	§§ 3.1-3.3, 3.6., 5.2- 5.5, and 10.8 in Franchise Agreement; §§ 3.3 and 5 in Area Development Agreement	7, 8, 10 and 11
d. Initial and ongoing training	§§ 3.2, 5.5, 5.6, and 12.4.8 in Franchise Agreement; § 5.2.3 in Area Development Agreement	6, 7, 10, and 19
e. Opening	§§ 5.2 - 5.4 in Franchise Agreement; not applicable for Area Development Agreement	7 and 11
f. Fees	§§2.2.9, 3.7, 4, 10.1, 10.3, 10.5, 10.8 and 12.4.9 in Franchise Agreement; § 2.1 in Area Development Agreement	5, 6, 7, 11 and 19
g. Compliance with standards and policies/Operating Manual	§§ 1.4, 3.3, 5, 7, and 9 in Franchise Agreement; § 5.2 in Area Development Agreement	8, 11, and 14
h. Trademarks and proprietary information	§§ 1.1 and 6 in Franchise Agreement; §§ 1.4 and 1.5 in Area Development Agreement	13 and 14
i. Restrictions on products/services offered	§§ 1.4, 5, and 13.2.11 in Franchise Agreement; not applicable for Area Development Agreement	8 and 16
j. Warranty and customer service requirements	§ 5.8 in Franchise Agreement; not applicable for Area Development Agreement	6, 11, 16 and 19
k. Territorial development and sales quotas	§§ 1.1 and 1.2 in Franchise Agreement; § 1 in Area Development Agreement	12
l. Ongoing product/service purchases	§ 5 in Franchise Agreement; not applicable for Area Development Agreement	7, 8 and 11

m. Maintenance, appearance and remodeling requirements	§§ 2.2.3, 5, and 12.4.5 in Franchise Agreement; not applicable for Area Development Agreement	7, 8 and 11
n. Insurance	§ 11 in Franchise Agreement; not applicable for Area Development Agreement	7, 8, 11 and 19
o. Advertising	§§ 6 and 10 in Franchise Agreement; not applicable for Area Development Agreement	6, 7, 8 and 11
p. Indemnification	§ 17.4 and Ex. B in Franchise Agreement; § 11.4 in Area Development Agreement and Ex. B in Area Development Agreement	6, 11 and 14
q. Owner's participation/ management/staffing	§§ 5 and 15 in Franchise Agreement; § 5.2 in Area Development Agreement	15
r. Records and reports	§§ 4.3, 5 and 9 in Franchise Agreement; § 5.3 in Area Development Agreement	6 and 11
s. Inspections and audits	§§ 5, 3.8, 5.17, and 9.4 in Franchise Agreement; not applicable for Area Development Agreement	6, 8 and 11
t. Transfer	§ 12 in Franchise Agreement; § 7 in Area Development Agreement	6 and 17
u. Renewal	§§ 2.2, 5.10, 5.11, 5.18 and 6.2.4 in Franchise Agreement; not applicable for Area Development Agreement	6 and 17
v. Post-termination obligations	§§ 9.1, 9.5, 12.4.7, 14 and 17.4 in Franchise Agreement; § 6.6 in Area Development Agreement	17
w. Non-competition covenants	§ 15 and 24.3 in Franchise Agreement; § 8 in Area Development Agreement	17
x. Dispute resolution	§ 23 in Franchise Agreement; § 15 in Area Development Agreement	17
y. Taxes/permits	§§ 5.2 and 16 in Franchise Agreement; § 10 in Area Development Agreement	6, 7 and 19
z. Guarantee of franchise obligations	§ 5.5, 5.19, 12.4.2 and Ex. B in Franchise Agreement; § 5.4 and Ex. B of Area Development Agreement	15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease, or other obligations.

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

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

Pre-opening Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you.

Before you open your Restaurant:

(1) We will provide our standard initial training program for up to three individuals, which must include your Highly Trained Personnel (defined below under the subheading "Training") at a location, and at the time(s), that we designate. (Training is also discussed below in this **Item 11** under the subheading "Training.") We will provide an initial training program that may be, at our discretion, up to ten weeks in length, although such training may not be provided over ten consecutive weeks. As part of the initial training program, if the Restaurant is your first Roy Rogers Restaurant, we will provide you with a minimum of seven days on-site assistance at the Restaurant during the opening of the Restaurant. If the Restaurant is your second or additional Roy Rogers Restaurant, we will provide you with a minimum of three days on-site assistance at the Restaurant during the opening of the Restaurant. We will be responsible for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement. (Franchise Agreement, Sections 3.1, 5.5)

(2) We will provide, at no charge to you, site location criteria, guidance for submitting a Site Acceptance Request Package, prototype plans and specifications for the construction of the Restaurant and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs. You are also responsible for compliance with all local and other requirements relating to the plans, including, for example, zoning, and compliance with the Americans with Disabilities Act. (Franchise Agreement, Sections 3.1, 3.2, and the Preliminary Site Development Agreement).

(3) We have the right to inspect and approve the Restaurant for opening before the initial opening. You may not start operation of your Restaurant until receiving our written approval to do so. (Franchise Agreement, Section 3.9)

(4) We may provide a representative to be present at the Restaurant's initial opening. We will provide additional on-site pre-opening and opening supervision and assistance as we deem it advisable to do so. (Franchise Agreement, Section 3.3)

(5) We will provide you with access, for the term of the Franchise Agreement, to the Manual (which is more fully described in **Item 14** below). (Franchise Agreement, Section 3.4)

(6) We will assist you in developing and conducting the Grand Opening Marketing Program (which is more fully described in **Item 6** above, and in this **Item 11** below); you will be responsible for the cost of this program. (Franchise Agreement, Section 3.7)

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Restaurant.

We are required under the Area Development Agreement to provide certain assistance and services to you. This includes:

(1) We will furnish to you site selection guidance, including our suggested site selection criteria for your Restaurants, and any site criteria counseling and assistance we may deem advisable. (Area Development Agreement, Section 5.1)

(2) We will review your Site Acceptance Request Package for each proposed site. (Area Development Agreement, Section 3.3)

(3) Before opening your first Restaurant under the Area Development Agreement, we will provide you or your District Manager with our initial training program. (Area Development Agreement, Section 5.2.3)

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you. During the operation of your Restaurant:

(1) We will make available additional training programs, as we deem appropriate. (Franchise Agreement Section 5.5)

(2) We will give you periodic assistance in the marketing, management and operation of the Restaurant, as we deem advisable. (Franchise Agreement, Section 3.10)

(3) We will administer the Marketing Fund as stated in the Franchise Agreement and as described below in this **Item 11**. (Franchise Agreement Section 3.6)

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Restaurant.

Site Evaluation and Selection

Prior to entering into a Franchise Agreement, if you do not have a site for the Restaurant identified and approved by us, you and we may enter into a Preliminary Site Development Agreement, under which you will lease, sublease or acquire a site for the Restaurant to be developed, subject to our approval. Under the terms of the Preliminary Site Development Agreement, you will have six months to acquire or lease, at your expense, commercial real estate that is properly zoned for the use of the Restaurant under the Franchise Agreement at a site approved by us. Failure to acquire or lease a site within the six month period will constitute a default under the Preliminary Site Development Agreement. You must submit to us, in the form we specify, a complete Site Acceptance Request Package that includes, but is not limited to, (1) a copy of the site plan, (2) a copy of the floor plan, (3) proposed parking and elevations, (4) an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining or controlling a site, (5) a document that identifies market competitors, retail conditions, and a summary of site characteristics and attributes, and (6) any other information or materials that we may require (the "**Site Acceptance Request Package**"). We will have 30 days following receipt of such information and materials from you to evaluate and approve or disapprove the proposed site for the approved Location of the Restaurant. If we do not disapprove a proposed site by written notice to you within this 30-day period, such site will be deemed approved.

Under the Area Development Agreement, we will provide you with suggested selection criteria (as discussed above), including our minimum standards for your location for the Restaurant and any site selection counseling and assistance as we may deem advisable. You must also submit a Site Acceptance Request Package for sites that you propose to develop in connection with an Area Development Agreement.

We will furnish our site selection guidelines to you, including our minimum standards for a location for the Restaurant, and such site selection counseling and assistance as we may deem advisable. We will perform any on-site evaluation as we may deem advisable in response to your requests for site approval; however, we will not be required to provide on-site evaluation for any proposed site. We will make available to you standard plans and specifications. It is your responsibility to develop all site plans, including construction drawings, and we must approve all site plans, floor plans, parking plans and elevations prior to entitlement submissions. You are required to notify us before you submit any site plans, construction plans, or other materials to any public or quasi-public agency for approval. You must also provide us with copies of these submissions upon request.

We will have the right to approve the terms of any lease or sublease for the site of the Restaurant before you sign it. Our approval of any lease is conditioned upon inclusion in the lease of the Lease Rider, attached to the Franchise Agreement as Exhibit F. We are not responsible for review of the lease for any terms other than those contained in the Lease Rider.

Once approved, the site for the Restaurant will be the "**Approved Location**." If you sign a Franchise Agreement within 30 days of the later of site approval or signing a lease for the site, the Approved Location will be specified in the Franchise Agreement, and will become a part of the Franchise Agreement.

We may condition our written approval for you to open on your completion of a "punch list" of outstanding action items provided to you by us, and you must complete the "punch list" within the timeframe designated by us.

We estimate that the time period between the signing of the Franchise Agreement and the start of operations at the Restaurant will be approximately 9-18 months. In some situations, we estimate that it may take up to six months to secure a lease and building permits for the site, followed by up to 12 months of construction, training, and pre-opening work. **Factors which may affect this time period include your ability to secure financing, negotiate a lease or purchase the property, obtain necessary permits and licenses construct or build-out facilities for the Restaurant, and obtain fixtures, equipment and supplies.**

Training

Before your Restaurant opens, you (if you are an individual), a director of operations (the "**Director of Operations**" or a district manager or other equivalent position above the level of property supervisor/manager(s)), and your General Manager (the "**Highly Trained Personnel**") must attend and successfully complete, to our satisfaction, the initial training program that we offer. If you (or, if you are a corporation, partnership, limited liability company, or limited partnership, one of your principals who you designate to supervise the operation of the Restaurant, and who we have previously approved (the "**Principal Owner**") will be responsible for the active full time management of the Restaurant, you or your Principal Owner (as applicable) must attend our initial training program (in which case your Principal Owner would also be considered "Highly Trained Personnel"). If you or your Principal Owner will not be responsible for the active full time management of the Restaurant, you or your Principal Owner must attend at least an executive-level training program regarding the System and brand standards (which may include a mandatory brand orientation program). For the purpose of the Franchise Agreement, the "Principal Owner" must be a person who has an ownership interest in the franchisee entity, and who has signed the Guarantee, Indemnification and Acknowledgement that is attached to the Franchise Agreement. We may require the Principal Owner to have a minimum ownership interest of 10% in the franchisee entity.

The Restaurant must be under the active full-time management of an individual who has successfully completed our initial training program (to our satisfaction), which may be (a) you, (b) the

Principal Owner, or (c) another member of your Highly Trained Personnel who meets our standards and specifications.

If you (or the Principal Owner), or any of the Highly Trained Personnel cease active management or employment at the Restaurant, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program not more than 30 days after the end of the former person's full-time employment or management responsibilities. The replacement must attend and successfully complete the basic management training program, to our reasonable satisfaction, as soon as it is practical to do so and you must pay to us a fee of $1,500 per attendee for such replacement training.

We may require that any or all of the Highly Trained Personnel attend refresher courses, seminars, and other training programs periodically.

We will bear the cost of all training (instruction and required materials), except for training for replacement personnel, as described above. You will bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and workers' compensation insurance (see **Items 6 and 7** of this Disclosure Document). As noted in Item 8, you must have your employees covered by your workers' compensation insurance policy before they attend any training programs.

If you ask that we provide additional on-site training, and we are able to do so, then you will pay us our then-current per diem charges and out-of-pocket expenses. Our per diem charges are specified in **Item 6**.

Any training provided by us to any of your employees will be limited to training or guiding the employees regarding the delivery of approved services to customers in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your employees during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You must ensure that your employees receive adequate training.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Technical Skills Development		150 hours (Minimum)	Frederick, Maryland or Hagerstown, Maryland
Shift Control Development*		150 hours (Minimum)	Frederick, Maryland or Hagerstown, Maryland
Essential Management Practices	28 hours		Frederick, Maryland
Safety/Sanitation ServSafe CPR/First Aid	16 hours (for first time certification)		Frederick, Maryland Or a jurisdiction local to the Franchisee
Franchise Owner Orientation • Human Resources • Financial Accounting	24 hours		Frederick, Maryland

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
• Marketing • Technology • Restaurant Maintenance and Renovations • Franchise Operations			

*All training regarding shifts, staffing and scheduling are recommendations regarding optimal performance, and delivery of products, service, and customer services according to brand standards. We do not require you to hire, fire, or alter shifts or hours for any employees, as employment, hiring, scheduling and related decisions are made by you, as the business owner, in your sole discretion.

Additionally, the following are some of the instructional materials that will be utilized during the training program:

- Basic Management Skills Training Manual
- Roy Rogers Operations Procedures Manual (OPM)
- Skills Handbooks and Tests
- Station Reference Cards Station Evaluations
- Individual Course Materials
- Interactive Exercises
- Course Materials
- Operations Manual
- Training Videos

Training will be conducted over a four to eight week period (not necessarily in a consecutive period) at locations of our choosing. Training is conducted as frequently throughout the year as we determine it necessary (*i.e.*, on an as-needed basis) to hold a training class.

Currently, our training program is conducted under the supervision and direction of Al Jones, our Director of Operations. Mr. Jones has significant training and/or restaurant operations experience. Mr. Jones has considerable brand tenure, management experience and franchise oversight, having worked for us or our affiliate since 1990. See **Item 2** for additional information regarding Mr. Jones's background and experience.

Advertising

As described in **Item 6** above, for each Month during the term of the Franchise Agreement, you will be required to make a Marketing Contribution. Your Marketing Contribution will be an amount up to 3% of the Gross Sales of your Restaurant during the preceding Month.

The Marketing Contribution will be paid to the Marketing Fund. There are likely to be different advertising needs in different types of markets. For example, Restaurants that operate in an airport or train station may need a different kind and volume of advertising than do Restaurants that operate in suburban areas or in cities.

The Marketing Fund

The Marketing Fund, and all contributions to and earnings from the Marketing Fund, will be used only (except as otherwise provided below) to meet any and all costs of maintaining, administering,

directing, conducting, and preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of: preparing and conducting media advertising campaigns, direct mail advertising, marketing surveys and other public relations activities; developing marketing and promotional strategies; employing advertising and/or public relations agencies to assist; purchasing promotional items; designing menu boards, point-of-purchase (POP) materials, including design and photographs; conducting and administering visual merchandising, POS, and other merchandising programs, such as SEO, social, digital, online, delivery and mobile marketing strategies and tactics; providing promotional and other marketing materials and services to the Restaurants operated under the System; product development and testing; and the salaries of our employees in conjunction with System marketing activities. We may also use the Marketing Fund to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements that we have approved in advance (but we will have the right to determine which products, services, or improvements will appropriately promote general public awareness and favorable support for the System).

We administer the Marketing Fund. The Marketing Fund is not audited as a stand-alone entity. We prepare an annual accounting of the Marketing Fund and make it available to franchisees upon request. In 2021, the Marketing Fund spent approximately 23% of its income on media, 6% on consumer research, 38% on creative marketing materials, including point of purchase materials and signage, 4% on general and administrative expenses, 5% on promotions, including media placement, new product development, and public relations and marketing, and 19% on marketing personnel. We intend to spend all of the money in the Marketing Fund in the year in which we collect it. Any amount not used in one year is carried over to and spent during the following years. We did not spend all of the money in the Marketing Fund during 2021, and there is currently a surplus (equal to 14% of the Marketing Fund's 2021 income) that will be carried over into 2022. We will have the sole right to decide how the Marketing Fund creates, places, and pays for advertising.

We (or our designee, which might be a corporate subsidiary or an advertising agency) will maintain and administer the Marketing Fund, as follows:

(a) We (or our designee) will direct all marketing programs, with the sole right to decide the concepts, materials, and media used in these programs and the placement and allocation of the programs. The Marketing Fund is intended to maximize general public recognition, acceptance, and use of the System. Neither we nor our designee will be obligated to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or *pro rata* from expenditures by the Marketing Fund.

(b) The Marketing Fund, and all contributions to and earnings from the Marketing Fund, will be used exclusively to meet the costs of marketing and any other activities that we believe will enhance the System's image and, in our sole discretion, promote general public awareness of and favorable support for the System.

(c) You must contribute to the Marketing Fund, by ACH, by the tenth business day of each Month (see also **Item 6**, note 2). All sums you pay to the Marketing Fund will be maintained in an account separate from our other monies.

(d) We will have the right to charge the Marketing Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the Marketing Fund and advertising programs for you and the System (for example, costs of personnel for creating and implementing, associated overhead, advertising, merchandising, promotional, testing and marketing programs). The Marketing

Fund and its earnings will not otherwise inure to our benefit or be used to solicit the sale of franchises. We or our designee will maintain separate bookkeeping accounts for the Marketing Fund.

(e) The Marketing Fund is not and will not be our asset.

(f) Although the Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been spent for advertising or promotional purposes.

None of the amounts collected or held by the Marketing Fund will be used for advertising that is principally a solicitation for the sale of franchises. A statement of the Marketing Fund's operations, as shown on our books, will be prepared annually, and that statement will be made available to you upon request. As described above, we are not required to spend any particular amount on advertising in the area where your Restaurant is located. Also as described above, if amounts are unspent in the Marketing Fund at fiscal year-end, those amounts will be carried over by the Fund for expenditure in the following year(s).

Our current policy is to have all Roy Rogers Restaurants, including currently existing affiliate-owned Roy Rogers Restaurants (currently owned by PEI), as well as any future Roy Rogers Restaurants which we or any of our affiliates may establish, contribute to the Marketing Fund on the same basis as is required of our Franchisees; however, we (and PEI) are not obligated to do so and reserve the right to change that policy.

Cooperatives

We will have the right, as we see fit, to establish a Cooperative for the geographic region in which your Restaurant is located. The purpose of a Cooperative is to conduct advertising campaigns for the Roy Rogers Restaurants located in that region.

If a Cooperative for your area was established before you began to operate your Restaurant, then when you open your Restaurant, you must immediately join that Cooperative. If a Cooperative for your area is established after you begin to operate your Restaurant, then you must immediately become a member of such Cooperative, and take all steps necessary to become such member. You will not be required to be a member of more than one Cooperative unless you own and operate restaurants in multiple geographic regions. The following provisions will apply to each Cooperative (if and when organized):

(a) Cooperatives will be established, organized, and governed (including but not limited to bylaws and other organic documents) in the form and manner that we have approved in advance, and will commence operations on a date that we have approved in advance. We will have the power to require that a Cooperative be formed, changed, dissolved, or merged. Unless otherwise specified by us, the activities carried on by each Cooperative will be decided by a majority of votes of its members. Any Restaurants that we (or our affiliates) operate under the System in the region shall have the same voting rights as those operated by franchisees. There will be one (1) vote for each Restaurant operating under the System within the geographic region of the Cooperative.

If we or an affiliate-owned Roy Rogers Restaurant (currently, PEI) contribute to a Cooperative, we and/or they will have the same voting rights for such Restaurants as do our franchisees with respect to their Restaurants.

(b) Cooperatives will be organized for the exclusive purpose of administering regional advertising programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Cooperatives may not use advertising, promotional plans, or materials without our prior written approval, as described below.

(d) You must contribute to the Cooperative in the amount that is determined by the Cooperative. You must submit your required contribution to the Cooperative in the same manner and at the same time as your royalty payments (by the tenth business day of each Month, based on your Gross Sales for the preceding month). At the same time, you will have to submit the reports that we or the Cooperative require. We may require you to submit this payment by ACH or by check. We also may require that your payments and reports to the Cooperative be made to us for distribution to the Cooperative.

(e) Although, if established, a Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for advertising or promotional purposes.

Local Advertising and Promotion

In addition to the Marketing Contribution, we may require that you expend at least 3% of annual Gross Sales on local advertising and promotion. If you belong to a Cooperative, up to 3% of your contributions to the Cooperative will be considered local advertising and promotion, and will be credited against your obligation to spend monies on local advertising and promotion. Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any advertising or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six months, we prepared or already approved the plans or materials) before you use such materials. If we have not approved such materials within seven days of our receipt, then the advertising and promotional materials will be deemed approved. You are not required to obtain our approval of the prices you intend to charge.

All copyrights in and to advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem necessary to implement this provision. (The requirements in this paragraph, as well as in the previous paragraph, will also apply to any Cooperatives.)

We will periodically make available to you, for purchase, certain advertising plans and promotional materials for your use in local advertising and promotion.

As used in the Franchise Agreement, the term "**local advertising and promotion**" refers to only the direct costs of purchasing and producing advertising materials (such as camera-ready advertising and point of sale materials), media space or time, delivery marketing fees and those direct out-of-pocket expenses related to costs of advertising and sales promotion in your local market or area. Local advertising and promotion also includes associated advertising agency fees and expenses, postage, shipping, telephone, and photocopying costs. "Advertising and sales promotion" does not, however, include any of the following:

(a) Salaries, incentives or discounts offered to your employees, and your employees expenses;

(b) Charitable, political, or other contributions or donations;

(c) The value of discounts given to consumers; and

(d) The cost of food items.

Grand Opening Marketing Program

As discussed in **Item 7**, in addition to (and not in place of) the Marketing Contribution, you must spend a minimum of $10,000 on local advertising and promotion conducted for the Restaurant's grand opening marketing program (the "**Grand Opening Marketing Program**"), according to our specifications for that program. You must complete the Grand Opening Marketing Program no later than 30 days after the Restaurant first opens for business. All materials used in the Grand Opening Marketing Program will be subject to our prior written approval, as described above. The Grand Opening Marketing Program is considered "local advertising and promotion" and is therefore subject to the restrictions described above. We will work with you to tailor your Grand Opening Marketing Program to your market. We reserve the right to require you to deposit with us the funds for the Grand Opening Marketing Program so that we may distribute the funds in connection with the Grand Opening Marketing Program.

Websites and Social Media

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "**Website**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social networking or social media sites or applications (including but not limited to Facebook, Twitter, LinkedIn, Instagram, YouTube, etc.), blogs, vlogs, and other applications, etc. In connection with any Website, the Franchise Agreement provides that you may not establish a Website, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Mark, through the Internet, without our prior written approval. As a condition to granting any such consent, we will have the right to establish any requirement that we deem appropriate, including among other things a requirement that your only presence on the Internet will be through one or more webpages that we establish on our website.

The use of "Social Media" sites, and any use of Social Media, in which the Proprietary Marks, or references to the Restaurants or your operations as a franchisee are used or reflected in the Social Media site or on a Social Media network or platform, are deemed "advertising" under the Franchise Agreement, and are subject to (among other things) our review and prior written approval before they may be used. The term "Social Media" refers to virtual networks, communities, platforms and some Websites where people interact in creating, exchanging or sharing information and ideas. The term Social Media and associated networking sites currently includes, but is not limited to, Facebook, Twitter, Instagram, Pinterest, YouTube, Flickr, Foursquare, Yelp, along with any other social networking and blog sites that are now in existence or may be created in the future. We may from time to time establish policies regarding Social Media, and your use or presence on Social Media sites, platforms, networks or Websites, as we may determine is appropriate for the System and network of Roy Rogers Restaurants, franchisees and operators. We may modify our policies as we determine to be appropriate, and we may take into account available and changing technologies and advertising methods. Currently, in connection with any Social Media network, you may not establish a Social Media page or handle, nor may you offer, promote or sell any products or services, or make any mention or use of the Restaurant or the Proprietary Marks without our prior written approval. As a condition to granting any such consent, we will have the right to establish any requirement that we deem appropriate, including among other things a requirement that your presence on any Social Media

platform will be through one or more sites and pages that we have previously established or plan to establish in the future.

Electronic Point-Of-Sale and Technology Systems

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, computer software, and hardware be used by, between, or among Roy Rogers Restaurants, including without limitation: (a) back office and POS systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at your Restaurant, between or among Roy Rogers Restaurants, and between and among your Restaurant and us and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) high speed internet access mode and email capabilities; (f) loyalty (Roy's Rewards) and mobile ordering systems; and (g) drive thru systems, order confirmation boards, and digital menu boards (collectively, the "**Technology System**").

At our request, you must purchase or lease, and thereafter maintain, the Technology System. We will have the right at any time to retrieve and use such data and information from your Technology System that we deem necessary or desirable. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, you must strictly comply with our standards and specifications for all item(s) associated with your Technology System, and must otherwise operate your Technology System in accordance with our standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and computer systems installed by you, us, and other franchisees, you ensure that your Technology System is maintained on a regular basis, and is fully functioning during all business hours and such other times as may be specified by Franchisor. With respect to the Technology System, we will have the right, to the effect that same will prove economically or otherwise beneficial to all System franchisees, to require you to promptly install at your expense such additions, changes, modifications, substitutions and/or replacement to your computer hardware, software, telephone and power lines, and other related facilities, as we direct.

At this time, we require our franchisees to buy or lease a computer hardware and software POS system, that is fully compatible with our computer system and that will include the information interface capability to communicate electronically with our Technology System in order to generate and store sales information, food costs, wage costs, and other related costs that we designate. Under the Franchise Agreement, we reserve the right to require you to purchase and utilize certain computer software in connection with the Technology System, for which you may be required to pay licensing fees. Currently there is not a licensing fee, however, if a licensing fee is imposed or required, the fees for such software shall not exceed Ten Thousand Dollars ($10,000) as a one-time licensing fee.

We estimate that your cost to lease the Technology System will be approximately $13,000 per year, and a one-time cost to install the Technology System, which ranges from $5,000 to $7,000 (excluding applicable discounts), plus taxes and freight. The one-time amount includes Front of House equipment, Aloha and NCR Back-Office software, back office equipment, installation and programming, training, power protection and backup. We do not anticipate that franchisees will purchase the Technology System. Currently, the costs of ongoing maintenance, updating and upgrading the Technology System are included in the annual lease cost of approximately $13,000, but may depend on the technology configuration and additional maintenance or upgrades that you may choose. The annual lease cost amount contains Aloha hosting, and other NCR hosted bundling features, Back-Office hosting, annual maintenance and help desk, E-card service, Loyalty Service, online ordering if required, Above-Store Reporting, and PCI Security services. Additional services are optional at additional cost.

We reserve the right to download all sales and other data from your computer. There is no contractual limitation on our right to receive this information. We reserve the right to require you to bring

any computer hardware and software, related peripheral equipment, communications systems, as well as the cash register system, into conformity with our then-current standards for new Restaurants. We have no obligation to assist you in obtaining hardware, software or related services and there are no contractual limits on the frequency or cost of your obligations to obtain such upgrades. (See Sections 2.2.2, 5.10, and 5.17 of the Franchise Agreement.)

Manuals

You will be permitted to view the Manual prior to entering into the Franchise Agreement with us. You will be required to sign a confidentiality and non-disclosure agreement in connection with your review of the Manual. A copy of our Confidentiality and Non-Disclosure Agreement is attached to this Disclosure Document as **Exhibit J**.

ITEM 12
TERRITORY

Franchise Agreement

During the term of the Franchise Agreement, and except as otherwise provided in that agreement, you will be granted a geographic area within which we will not establish or license anyone else to establish, another Roy Rogers Restaurant at any location, which is the "**Territory**" that is designated in your Franchise Agreement. The Territory will be individually negotiated with you. The Territory will be described by street boundaries or political subdivisions, or may designate certain locations, intersections or market areas. The Territory and the individual franchise locations will be based on relevant factors including population, traffic patterns, trade areas and proximity to business generators such as schools and hospitals, and your ability to develop the Territory in a timely manner, as well as other economic or other factors. We will designate the Territory after you propose, and we approve, the Approved Location. Relocation of your Restaurant may be allowed with our express prior written approval.

While you will receive the territorial rights described above (that is, generally, we will not establish another Roy Rogers Restaurant in your Territory), we will have the right (among other things), on any terms and conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- to establish, and license others to establish, Restaurants at any location outside the Territory despite their proximity to the Territory or the Approved Location or its actual or threatened impact on sales at your Restaurant;

- to establish, and license others to establish, Restaurants at any Institutional Facility (as that term is defined below) within or outside the Territory, despite such Restaurants' proximity to the Approved Location or their actual or threatened impact on sales at your Restaurant;

- to establish, and license others to establish, restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products that are the same as, similar to, or different from the products offered from the Restaurant, and which restaurants or stores may be located within or outside the Territory, despite such Restaurant or store's proximity to the Approved Location or their actual or threatened impact on sales at your Restaurant; and

- to sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise from any location or to any purchaser

(including, but not limited, to sales made at retail locations, supermarkets, gourmet shops, mail order, and on the Internet, including Internet sales for delivery within the Territory), so long as such sales are not conducted from a Restaurant operated from a location inside the Territory (excluding an Institutional Facility).

The term "**Institutional Facility**" includes, among other things: military bases, public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or interstate travel plazas, parks, stadiums, arenas and convention centers, malls, museums, art centers, contract or institutional food service operators, theaters, warehouse clubs, theme parks, amusement parks, truck stops, and casinos.

As discussed above, the territorial protection is limited. Therefore, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we may control. You may offer and sell products only from the Restaurant, as further described in **Item 16**. You may not market or promote any products or services outside the Territory. You may not offer or sell products or services through any other means, including catering or other delivery services, satellite locations, temporary locations, carts, kiosks, or through any electronic media, without our prior written approval. You may conduct catering or delivery from your Restaurant if you obtain our prior approval and satisfy our operating standards for catering or delivery.

Under the Franchise Agreement, you will not acquire any options, rights of first refusal, or similar rights to acquire additional franchises within the Territory or any contiguous territories. The continuation of your territorial exclusivity does not depend on the achievement of any particular sales volume, market penetration, or other contingency. If you default under the Franchise Agreement, we reserve the right to undertake certain actions in lieu of termination of the Franchise Agreement, including modifying, or eliminating completely, the Territory.

Preliminary Site Development Agreement

You and we may sign a Preliminary Site Development Agreement before signing the Franchise Agreement, under which you will lease, sublease, or acquire a site for the Restaurant, subject to our approval. The Preliminary Site Development Agreement will designate an area, referred to as the "**Site Selection Area**," within which you will search for a suitable location for the Restaurant. This is the sole purpose of the Site Selection Area. We will not establish, nor will we franchise another person or entity to establish, a Roy Rogers Restaurant operating under the System within the Site Selection Area until we approve the location for your Restaurant, or until the expiration of the search period (which, as noted above, is six months), whichever event first occurs (however, we will retain all other rights). Following the approval of a site, or the expiration of the search period, the Preliminary Site Development Agreement will terminate and you will not have any further rights with respect to the Site Selection Area. The size of the Site Selection Area will be determined based on similar considerations to how we determine the size of the Territory under the Franchise Agreement, as described above.

Area Development Agreement

As described in Item 1, if you sign an Area Development Agreement, you will receive a Development Area in which you must develop a specified number of Restaurants. The size of the Area Development Agreement will be determined on a case-by-case basis and will vary considerably and is subject to our mutual agreement before the Area Development Agreement is signed. Factors that may affect the size of the Development Area include your wishes, the economic, demographic and expansion capacity of the area contemplated, the competition in the area, your prior development and operational experience and financial capacity and the number of Restaurants required under the Development Schedule.

If you are in compliance with your obligations under the Area Development Agreement and all Franchise Agreements between you and us, then we will not establish, nor license anyone other than you to establish, a Restaurant in the Development Area until the earlier of (a) the termination or expiration of the Area Development Agreement; (b) the opening of the last required Restaurant under the Development Schedule; or (c) the last date specified in the Development Schedule. The Development Area in the Area Development Agreement is a protected territory, but that protection or exclusivity is limited. Specifically, we will retain all other rights, and therefore we retain the right (among others), and without granting to you any rights, to:

- establish, and license others to establish, Restaurants at any location outside the Development Area despite their proximity to any Restaurants you may operate within the Development Area, or their actual or threatened impact on sales at these Restaurants;

- establish, and license others to establish, Restaurants at Institutional Facilities within or outside of the Development Area, despite these Restaurants' proximity to the Development Area, any Restaurant developed or operated pursuant to the area Development Agreement, or the actual or threatened impact on sales of any Restaurant;

- establish, and license others to establish, Restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products or services that are different from the products and services offered from Restaurants, and which restaurants or stores may be located within or outside the Development Area, despite these restaurants' or stores' proximity to any Restaurants you may operate within the Development Area, or their actual or threatened impact on sales at these Restaurants;

- in the event we or our affiliates acquire another chain or system, or we or our affiliates are acquired by another chain or system, that operates and/or franchises restaurants or stores that are the same or similar to Restaurants in that they have a substantially similar menu or similar theme or concept, we or our affiliates may establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other marks, which restaurants or stores may offer or sell products or services that are the same as, or similar to, the products and services offered from the Restaurant, and which restaurants or stores may be located within or outside the Development Area, despite these restaurants' or stores' proximity to any Restaurant you may operate within the Development Area, or their actual or threatened impact on sales at your Restaurant; and

- sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited, to sales made at retail locations, gourmet shops, by mail order, via telephone, and on the Internet), as long as these sales are not conducted from a Restaurant operated from a location inside the Development Area (excluding an Institutional Facility).

As discussed above, the territorial protection of the Development Area is limited. Therefore, you will not receive an exclusive territory. You may face competition from other franchisees, from other outlets that we own, or from other channels of distributions or competitive brands that we control.

Under the Area Development Agreement, you will not acquire any options, rights of first refusal, or similar rights to acquire additional franchises within the Development Area or any contiguous territories. The continuation of your territorial exclusivity does not depend on the achievement of any particular sales volume, market penetration, or other contingency. If you default under the Area Development Agreement,

we reserve the right to undertake certain actions in lieu of termination of the Area Development Agreement, including modifying, or eliminating completely, the Development Area.

ITEM 13
TRADEMARKS

We grant you the right to use the Proprietary Marks listed below in connection with specific goods and/or services identified in the corresponding trademark registrations issued by the U.S. Patent and Trademark Office (the "**USPTO**") on its Principal Register:

Trademark	Registration No.	Registration Date
ROY ROGERS	882,909	Dec-23-1969
ROY ROGERS	5,134,210	Jan-31-2017
ROY ROGERS	4,971,902	Jun-7-2016
ROY ROGERS (Stylized) Roy Rogers	1,165,024	Aug-11-1981
ROY ROGERS & Cowboy Hat Design	2,920,564	Jan-25-2005
DOUBLE-R-BAR BURGER	1,061,424	Mar15-1977
FIXINS BAR	1,447,946	Jul-14-1987
GOLD RUSH CHICKEN SANDWICH	4,894,105	Feb-2-2016
HAVE A COWBOY KINDA DAY	6,349,492	May-11-2021
Roy Rogers FAMILY RESTAURANT	1,072,917	Sept-06-1977

Our affiliate, RRTC, owns the above-referenced trademark registrations. RRTC has licensed to us the right to use, and to license others (such as you) to use, the Proprietary Marks under a trademark license agreement (the "**TM License Agreement**"). The TM License Agreement is of perpetual duration, and either we or RRTC may terminate the TM License Agreement upon 30 days' notice to the other party. If, during the term of your Franchise Agreement, the TM License Agreement is terminated, RRTC will assume our rights and obligations to you under the Franchise Agreement with respect to the Proprietary Marks, and

your right to use the Proprietary Marks under the Franchise Agreement will continue under the terms of the Franchise Agreement. We, RRTC, or our predecessor has filed with the USPTO all required affidavits of use and renewal applications.

Your right to use the Proprietary Marks listed above is limited to the scope and duration of the uses authorized under the Franchise Agreement, and any unauthorized use of the Proprietary Marks will infringe upon our rights. You may not use any Proprietary Mark: (1) as part of any corporate name or other business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (3) in connection with performing or selling any unauthorized services or products; (4) as part of any domain name, electronic address or search engine or in any other manner in connection with a Website without our prior written approval; or (5) in any other manner that we do not expressly authorize in writing. You must identify yourself as the independent owner and operator of your business and Restaurants in the manner we specify (such as on invoices, order forms, receipts, and contracts). You must also give the trademark registration notices that we designate, and obtain any assumed business name registrations that applicable law requires.

There are no currently effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Proprietary Marks. No agreement significantly limits our rights to use or license the Proprietary Marks in any state in a manner material to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. Other than the TM License Agreement, there are no agreements affecting our right to use the Proprietary Marks in any manner material to this Agreement.

You must immediately notify us of any apparent infringement of or challenge to your use of any Proprietary Mark or any person's claim of any rights in any Proprietary Mark. You may not communicate with anyone except us and our counsel (and, if applicable, our licensor and its counsel) with respect to any infringement, challenge or claim. We will have discretion to take any action we deem appropriate and the right to control exclusively any settlement, litigation, or administrative or other proceeding relating to any infringement, challenge or claim or otherwise relating to any Proprietary Mark. You must render the assistance we require to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Proprietary Marks. If you have used the Proprietary Marks as required under the Franchise Agreement, we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use of the Proprietary Marks. If you have not used the Proprietary Marks as required under the Franchise Agreement, we will defend you, at your expense, against any third party claims, suits, or demands involving your use of the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Proprietary Marks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Proprietary Mark or for you and the Restaurant to use one or more additional or substitute trademarks or service marks, you will have to immediately comply with our directions. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

No current or pending patents are material to the operation of your Restaurant.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of Roy Rogers Restaurants, including the Manual, advertising and promotional materials, and similar materials. We have not registered these materials with the United States Registrar of Copyrights but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No provision in the Franchise Agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Confidential Information

Except for the purpose of operating the Restaurant under the Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the operation of the Restaurant that may be communicated to you or that you may learn by virtue of your operation of a Restaurant. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so. There may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

In addition, we may require you, your Principal Owner, your Director of Operations, and your other Highly Trained Personnel to sign confidentiality covenants. Every one of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Restaurant. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current form for this agreement is attached to the Franchise Agreement as Exhibit H.

Confidential Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under

our Proprietary Marks, you must conduct your business according to the Manuals. We will provide you with access to our Manuals for the term of the Franchise Agreement.

You must always treat in a confidential manner the Manuals, any other manuals we create (or that we approve) for use with the Restaurant, and the information contained in the Manuals. You must use best efforts to maintain this information as secret and confidential. You may not copy, duplicate, record, or otherwise reproduce the Manuals and the related materials, in whole or in part (except for the parts of the Manuals that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. The Manuals will always be our sole property. You must always keep the Manuals in a secure place at the Restaurant's premises or at an approved, off-site corporate office location.

We may periodically revise the contents of the Manuals, and you must make corresponding revisions to your copy of the Manuals and comply with each new or changed standard. If there is ever a dispute as to the contents of the Manuals, our master copy of the Manuals (maintained at our home office) will be controlling.

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

The Franchise Agreement does not require you to participate personally in the direct operation of the Restaurant, although we encourage and recommend active participation by you. We do, however, require that you or your Principal Owner or an approved member of the Highly Trained Personnel must devote full time, energy, and best efforts to the management and operation of the Restaurant. In addition, you must also have in place three to four managers, one of whom will be the "General Manager," who will be responsible for the day-to-day operations of the Restaurant.

Depending upon the Principal Owner's experience level, we may or may not specify a minimum ownership interest, but under the Franchise Agreement we have the right to specify that the Principal Owner must have at least a 10% equity interest in the franchisee entity. However, we do not require your on-premises restaurant manager to have an equity interest in the franchisee entity.

All persons that serve in the positions of Highly Trained Personnel must be approved by us and must attend and successfully complete our initial training program which is described in **Item 11** of this Disclosure Document. Our approval will be based on a number of factors, including whether the proposed Highly Trained Personnel have a good business reputation, appears to have the business and interpersonal skills and acumen to manage this type of business, are not competitors of ours, and whether they can successfully complete our training program. After the initial Highly Trained Personnel, any replacements will also be subject to our reasonable approval, and are required to attend and successfully complete our training program and pay to us the cost associated with that replacement training. We require your principals, that is, persons with an ownership or equity interest in the franchisee entity or developer entity who are designated in Exhibit C in the Franchise Agreement or Area Development Agreement ("**Principals**") (including the Principal Owner), supervisors and managers to sign a non-disclosure and non-competition agreement, the form of which is attached to the Franchise Agreement as Exhibit G and attached to the Area Development Agreement as Exhibit E. We do not impose any other restrictions on your managers.

Our policy is that we require your Principals to sign a guarantee in the form attached to the Franchise Agreement.

You must comply with all applicable labor, employment and wage and hours laws and regulations. All personnel decisions, including hiring, firing, disciplining, compensating, benefits, and scheduling, will be made by you, without any influence from us, and such decisions and actions will not be, nor be deemed to be, a decision or action of ours, even if we provide any advice or recommendations on any issue.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell and provide only products and services that conform to our standards and specifications (which are described in **Item 8** above). We have the right, without limit, to change the types of authorized products and services. See **Item 8** for a description of approval, recommended and required products and services.

As noted above in **Item 12**, unless otherwise consented to in writing by us, you may only offer and sell products to retail customers for consumption on the Restaurant's premises, for personal, carry-out, delivery and "drive-thru" consumption, in a manner that complies with our standards. At our option, we may permit you to offer catering or delivery services at the Restaurant, provided that you satisfy our operating standards for catering or delivery. This approval will apply prospectively for all catering or delivery operations from the Restaurant, and you need not seek approval on a job-by-job or delivery-by-delivery basis. However, we have the right to revoke or modify our approval if you fail to satisfy our standards, which may be modified from time to time. All sales will be counted as "Gross Sales" (as further described in the Franchise Agreement) and must be recorded in the POS system.

The Approved Location for the Restaurant will be specified in the Franchise Agreement. You may not relocate the Restaurant without our prior written approval.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	§ 2.1 of Franchise Agreement; ¶ 1 of Preliminary Site Development Agreement	20 years from the date the Restaurant commences operations; 6 months for the Preliminary Site Development Agreement
b. Renewal or extension of the term	§ 2.2 of Franchise Agreement	(a) One additional 20-year term, or (b) the time period between the effective date of the renewal Franchise Agreement and the date on which the lease for Franchisee's Restaurant expires
c. Requirements for you to renew or extend	§§ 2.2.1 - 2.2.9 of Franchise Agreement	Notice, satisfaction of monetary obligations, compliance with

Provision	Section in Franchise Agreement	Summary
		Franchise Agreement, sign release (see **Exhibit M** in this Disclosure Document), sign new Franchise Agreement (which may contain materially different terms and conditions than the original Franchise Agreement), pay fee, and others; see §§ 2.2.1 - 2.2.9 in Franchise Agreement. (See Note 1)
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	§ 13 of Franchise Agreement; ¶ 2 of Preliminary Site Development Agreement	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see § 13 of the Franchise Agreement. (See Note 2) Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. Under the Preliminary Site Development Agreement, failure to locate an acceptable site within the Search Period.
g. "Cause" defined – curable defaults	§ 13.3 of Franchise Agreement	All other defaults not specified in §§ 13.1 and 13.2 of the Franchise Agreement. (See Note 1)
h. "Cause" defined – non-curable defaults	§§ 13.1 and 13.2 of Franchise Agreement; ¶ 2 of Preliminary Site Development Agreement	Bankruptcy, abandonment, conviction of felony, and others; see § 13.2. of the Franchise Agreement (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.) Under the Preliminary Site Development Agreement, failure to locate an acceptable site within the Search Period.
i. Your obligations on termination/ non-renewal	§ 14 of Franchise Agreement	Cease operating Restaurant, payment of amounts due, and others; see §§ 14.1 - 14.10 of the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by us	§ 12.1 of Franchise Agreement	There are no limits on our right to assign the Franchise Agreement.
k. "Transfer" by you – defined	§§ 12.3.1 - 12.3.4 of Franchise Agreement; ¶ 8(a) of Preliminary Site Development Agreement	Includes transfer of any interest.
l. Our approval of transfer by you	§ 12.4 of Franchise Agreement; ¶ 8(a) of Preliminary Site Development Agreement	We have the right to approve transfers.
m. Conditions for our approval of transfer	§ 12.4 of Franchise Agreement	Sign release (see **Exhibit M** in this Disclosure Document), signature of new Franchise Agreement, payment of transfer fee, and others; see §§ 12.4.1 - 12.4.11 of the Franchise Agreement.
n. Our right of first refusal to acquire your business	§ 12.5 of Franchise Agreement	We can match any offer.
o. Our option to purchase your business	§ 14.9 of Franchise Agreement	We have the option, within 30 days of termination or default, to purchase your furnishings, equipment, material, or inventory at cost or fair market value.
p. Death or disability of you	§§ 12.6, 12.7 and 12.8 of Franchise Agreement	Your estate must transfer your interest in the Franchised Business to a third party we have approved, within a year after death or six months after the onset of disability. We may also operate the Restaurant until such time as we determine; for which you must pay us a reasonable management fee.
q. Non-competition covenants during the term of the franchise	§§ 15.1 and 15.2 of Franchise Agreement	Includes prohibition on engaging in any restaurant business which is the same or similar to the Restaurant and others; see §§ 15.1 and 15.2 of the Franchise Agreement.
r. Non-competition covenants after the	§ 15.3 of Franchise Agreement	Includes a two year prohibition similar to "q" (above), at the Approved Location.

Provision	Section in Franchise Agreement	Summary
franchise is terminated or expires		
s. Modification of the agreement	§ 21 of Franchise Agreement; ¶ 8(c) of Preliminary Site Development Agreement	Must be in writing signed by both parties.
t. Integration/ merger clause	§ 21 of Franchise Agreement; ¶ 8(c) of Preliminary Site Development Agreement	Only the final written terms of the Franchise Agreement are binding (subject to this Disclosure Document). Any representations or promises outside of this Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	§ 23.3 of Franchise Agreement	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). (See Note 3)
v. Choice of forum	§ 23.2 of Franchise Agreement	If you file a lawsuit under the Agreement, you must do so in the state and judicial district where we maintain our principal place of business, currently, Frederick, Maryland.
w. Choice of law	§ 23.1 of Franchise Agreement; ¶ 9(b) of Preliminary Site Development Agreement	Maryland

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	§ 4.1	The end of the Development Schedule
b. Renewal or extension of the term	Not Applicable, but see § 4.2	None.
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	§ 6	Bankruptcy, insolvency, and other grounds; and failure to

Provision	Section in Area Development Agreement	Summary
		meet Development Schedule. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. See § 6.8 in Area Development Agreement. (See Notes 1 and 3)
g. "Cause" defined – curable defaults	§ 6.3	Defaults not specified in §§ 6.1 or 6.2, such as a material failure to comply with other agreement terms. See § 6.8 in Area Development Agreement.
h. "Cause" defined - non-curable defaults	§§ 6.1 and 6.2	Bankruptcy, insolvency, and others; failure to meet Development Schedule; termination of a Franchise Agreement. (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.) See § 6.8 in Area Development Agreement.
i. Your obligations on termination/ nonrenewal	§ 6.5	Cease operating developing new Restaurants; and payment of amounts due, and others; see also § 6.4 (actions in lieu of termination).
j. Assignment of contract by us	§ 7.1	There are no limits on our right to assign the Area Development Agreement.
k. "Transfer" by you – defined	§§ 7.3.1 – 7.3.5	Includes transfer of any interest.
l. Our approval of transfer by you	§§ 7.3 and 7.4	We have the right to approve transfers.
m. Conditions for our approval of transfer	§ 7.4	Release us (see **Exhibit M**), signature of new Area Development Agreement, payment of transfer fee, and others; see §§ 7.4.1 - 7.4.10 of the Area Development Agreement.

Provision	Section in Area Development Agreement	Summary
n. Our right of first refusal to acquire your business	§ 7.5	We have a right of first option. If you or one of your Principals plans to sell or transfer any material asset of the business or any material part (which changes control) of the entity which owns the business to a third party, you and/or the Principal must first offer the assets or interest to us under the same terms and conditions. If we do not wish to acquire the assets or interest, you and/or the Principal may then transfer them to the third party.
o. Our option to purchase your business	Not Applicable	See "n" above, and § 7.5.
p. Your death or disability	§§ 7.6, 7.7 and 7.8	Your estate must transfer your interest in the business to a third party we have approved, within a year after death or six months after the onset of disability.
q. Non-competition covenants during the term of the franchise	§ 8.2	Includes prohibition on engaging in any business which is the same or similar to the Restaurants that will be developed; see § 8.2 of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§ 8.3	Includes a two year prohibition similar to "q" (above) within the Development Area.
s. Modification of the agreement	§ 13	Must be in writing signed by both parties.
t. Integration/merger clause	§ 13	Only the final written terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law), but this provision will not act, or be interpreted, as a disclaimer of any representations made in this disclosure document. Any representations or promises

Provision	Section in Area Development Agreement	Summary
		made outside of the disclosure document, Franchise Agreement and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	§ 15.3	None. (See Note 2)
v. Choice of forum	§ 15.2	You must litigate in the state and judicial district where we maintain our principal place of business (subject to applicable state law). (See Note 3)
w. Choice of law	§ 15.1	Maryland (subject to applicable state law). (See Notes 2 and 3)

Notes:

1. There are state statutes in some states which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

2. The provision in the Franchise Agreement which provides for termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. The Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Sections 23.6, 23.7 and 23.8 in the Franchise Agreement. We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer.

Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law (see **Exhibits K** and **L**).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Historical Financial Performance Representations

The following are two historical financial performance representations. The first is based on the past performance of franchisee-owned, and PEI-owned (or company-owned) Restaurants, and the second is based solely on the past performance of our company-owned Restaurants that are operated by PEI and reports additional financial metrics, such as cost of goods sold. Please read carefully all of the information in this Item 19, and all of the notes following the data, in conjunction with your review of the historical data.

A. Annual Revenues for Franchised and Company-Owned Restaurants – 2021

Presented below are the Annual Revenues figures for franchised Roy Rogers Restaurants and our PEI-owned (company-owned) Roy Rogers Restaurants in 2021, for those Restaurants that have been operating for at least 12 months, as of December 29, 2021. There were 39 Restaurants that have been operating for 12 months as of December 28, 2021. The charts below disclose those Restaurants' average, median, high, and low Annual Revenues, broken down by category.

The categories for the first three charts are as follows: (a) the top 25% revenue producing Restaurants (meaning the Restaurants that were in the top 25% of Annual Revenues for that year), (b) the top 50% revenue producing Restaurants (which includes the Restaurants that were in the top 25%), and (c) the top 75% revenue producing Restaurants (which includes the Restaurants that were in the top 25% and top 50%).

The categories for the last three charts are as follows: (a) the bottom 25% revenue producing Restaurants (meaning the Restaurants that were in the bottom 25% of Annual Revenues for that year), (b) the bottom 50% revenue producing Restaurants (which includes the Restaurants that were in the bottom 25%), and (c) the bottom 75% revenue producing Restaurants (which includes the Restaurants that were in the bottom 25% and bottom 50%).

TOP	**2021 Annual Revenues - Combined Franchisee and PEI-Owned (Company Owned) Restaurants**			
	Top 25%	Top 50%	Top 75%	Total
No. of Stores	10	20	30	39
Avg. Annual Revenues	$2,610,854.55	$2,256,502.27	$2,023,764.97	$1,812,605.73
Median Annual Revenues	$2,515,242.89	$2,168,471.80	$1,861,930.47	$1,713,224.30
No. that Attained or Surpassed Stated Result in Category (Cumulative)	4	9	12	16
Percentage that Attained or Surpassed Stated Result in Category (Cumulative)	40.0%	45.0%	40.0%	41.0%
High/Low Numbers in Range	$3,118,104.64/ $2,194,572.57	$3,118,104.64 $1,713,224.30	$3,118,104.64 / $1,420,293.63	$3,118,104.64 $644,432.77
TOP	**2021 Annual Revenues - PEI-Owned (Company Owned) Restaurants**			
	Top 25%	Top 50%	Top 75%	Total
No. of Stores	5	11	16	22

TOP	2021 Annual Revenues - Combined Franchisee and PEI-Owned (Company Owned) Restaurants			
Avg. Annual Revenues	$2,596,910.44	$2,235,626.21	$2,044,015.57	$1,862,493.95
Median Annual Revenues	$2,461,220.99	$2,194,572.57	$1,905,366.13	$1,692,476.05
No. that Attained or Surpassed Stated Result in Category (Cumulative)	2	5	7	8
Percentage that Attained or Surpassed Stated Result in Category (Cumulative)	40.0%	45.5%	43.8%	36.4%
High/Low Numbers in Range	$2,905,424.08 / $2,326,089.32	$2,905,424.08 $1,713,224.30	$2,905,424.08 / $1,552,062.70	$2,905,424.08 $1,232,816.76

TOP	2021 Annual Revenues - Franchisee Restaurants			
	Top 25%	Top 50%	Top 75%	Total
No. of Stores	4	8	12	17
Avg. Annual Revenues	$2,732,355.17	$2,351,689.53	$2,073,654.94	$1,748,044.50
Median Annual Revenues	$2,699,419.85	$2,277,423.69	$1,964,767.54	$1,724,640.96
No. that Attained or Surpassed Stated Result in Category (Cumulative)	2	4	5	8
Percentage that Attained or Surpassed Stated Result in Category (Cumulative)	50.0%	50.0%	41.7%	47.1%
High/Low Numbers in Range	$3,118,104.64 / $2,412,476.35	$3,118,104.64 $1,812,189.47	$3,118,104.64 / $1,328,403.56	$3,118,104.64 $644,432.77

BOTTOM	2021 Annual Revenues - Combined Franchisee and PEI-Owned (Company Owned) Restaurants			
	Bottom 25%	Bottom 50%	Bottom 75%	Total
No. of Stores	10	20	30	39
Avg. Annual Revenues	$1,139,896.81	$1,363,740.12	$1,559,255.02	$1,812,605.73
Median Annual Revenues	$1,191,648.45	$1,452,241.89	$1,557,136.69	$1,713,224.30
No. that Attained or Fell Below Stated Result in Category (Cumulative)	4	9	15	23
Percentage that Attained or Fell Below Stated Result in Category (Cumulative)	40.0%	45.0%	50.0%	59.0%
High/Low Numbers in Range	$1,420,293.63 /	$1,713,224.30 /	$2,194,572.57 /	$3,118,104.64 /

BOTTOM	2021 Annual Revenues - Combined Franchisee and PEI-Owned (Company Owned) Restaurants							
	$644,432.77		$644,432.77		$644,432.77		$644,432.77	

BOTTOM	2021 Annual Revenues - PEI Restaurants							
	Bottom 25%		Bottom 50%		Bottom 75%		Total	
No. of Stores	5		11		16		22	
Avg. Annual Revenues	$1,349,756.20		$1,489,361.70		$1,612,233.89		$1,862,493.95	
Median Annual Revenues	$1,324,696.54		$1,521,836.84		$1,612,444.40		$1,692,476.05	
No. that Attained or Fell Below Stated Result in Category (Cumulative)	3		4		8		14	
Percentage that Attained or Fell Below Stated Result in Category (Cumulative)	60.0%		36.4%		50.0%		63.6%	
High/Low Numbers in Range	$1,511,113.71/ $1,232,816.76		$1,671,727.79/ $1,232,816.76		$2,117,095.60/ $1,232,816.76		$2,905,424.08/ $1,232,816.76	

BOTTOM	2021 Annual Revenues - Franchisee Locations							
	Bottom 25%		Bottom 50%		Bottom 75%		Total	
No. of Stores	4		8		12		17	
Avg. Annual Revenues	$920,604.28		$1,147,324.91		$1,387,080.40		$1,748,044.50	
Median Annual Revenues	$1,001,752.40		$1,092,479.85		$1,406,296.85		$1,724,640.96	
No. that Attained or Fell Below Stated Result in Category (Cumulative)	1		4		6		9	
Percentage that Attained or Fell Below Stated Result in Category (Cumulative)	25.0%		50.0%		50.0%		52.9%	
High/Low Numbers in Range	$1,034,479.56/ $644,432.77		$1,533,108.33/ $644,432.77		$2,018,985.18 / $644,432.77		$3,118,104.64 / $644,432.77	

Notes for 19-A:

1. "**Annual Revenues**" – This represents the total gross revenue for each Restaurant in the sample for the period December 29, 2020 to December 28, 2021, as reported by the franchisees or PEI to us. PEI operates on a 52/53 week fiscal year, and the fiscal year ended December 28, 2021 contained 53 weeks. Included in Annual Revenues are all revenues from the sale of all products, including all food and beverage products, all merchandise, and other products and services offered at or from each Restaurant, including delivery. This includes the full range of required Roy Rogers menu items, at all day-parts (such

as hamburgers, roast beef sandwiches, chicken, side items, beverages, desserts, breakfast sandwiches and platters, etc.). Annual Revenues excludes any customer refunds, sales taxes and/or other taxes collected from customers and actually transmitted to appropriate taxing authorities.

2. "**Average Annual Revenues**" for the company-owned Restaurants is the total Annual Revenues for the 22 company-owned Restaurants in the sample, divided by 22. "**Average Annual Revenues**" for the 22 franchised Restaurants is the total Annual Revenues for the franchised Restaurants in the sample, divided by 22. "**Average Annual Revenues**" for the 39 franchise and company-owned Restaurants is the total Annual Revenues for all Restaurants in the sample, divided by 39. The Annual Revenues figures are compiled by using sales that are reported to us by franchisees and PEI. We have not audited or verified the reports, nor have franchisees or operators confirmed that their reports are prepared in accordance with generally accepted accounting principles.

3. "**Median Annual Revenues**" means the data point that is in the center of all Annual Revenues data points used in a given category, with an equal number above and below the mid-point. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two. In the event the number of data points is an odd number, the median is the center number.

4. The data in the charts are for Restaurants that were in business for at least 12 months. To avoid any skewing of data due to seasonality, revenues that may be generated from grand opening advertising or promotion, or effects (positive or negative) from start-up operations, the sample includes only Restaurants that were operating during all of 2021. Excluded from the sample were three company owned and seven franchised Restaurants that did not have a full 12 months of operation, having first opened or closed (even temporarily) during 2021. During 2021, zero Restaurants closed after having been open less than 12 months.

5. Included in the sample are franchised Restaurants that are located at travel plazas in which there may be a more regular or constant flow of potential customers throughout the morning, during the day and until late in the evening each day. Some of these Restaurants may have other location-specific factors, or other operating factors that may boost customer traffic and revenues. Some of these Restaurants had gross revenues greater than the average Annual Revenues for the Restaurants in chart above.

6. The data above does not reflect the costs of sales, costs of goods, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales to obtain a net income or net profit figure. Franchisees are not required to report this data to us, and we do not have these operating costs for franchisees.

7. You should conduct an independent investigation of the costs and expenses you will or may incur in operating your franchised Roy Rogers Restaurant. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information. Part B of this Item 19 includes certain cost data for 22 PEI-owned Roy Rogers Restaurants, and the notes in Part B below describe generally the types of costs and expenses that you will or may incur. However, that data reflects the historical operations of PEI-owned Roy Rogers Restaurants and not franchisee cost and expense data. Franchised Roy Rogers Restaurants operate under the same System and with similar operating procedures and requirements, as that under which the Roy Rogers Restaurants described below operate. However, as discussed in Notes 7 through 11 to Table 19-B below, a franchised Roy Rogers Restaurant will incur certain types of franchise-specific expenses (for example, royalty payments) that the other Restaurants did not have.

B. Annual Revenues, Costs of Goods Sold and Labor Cost for Company-Owned Restaurants – 2021

Presented below are certain operating results for the period December 30, 2020 through December

28, 2021, for 22 Roy Rogers Restaurants owned and operated by our affiliate, PEI. PEI operates on a 52/53 week fiscal year, and the fiscal year ended December 28, 2021 contained 52 weeks. The specific operating results reflect the average Annual Revenues, and selected average cost percentages, of these 22 Restaurants.

	Average per Restaurant	**Number of Restaurants Above Average**	**Number of Restaurants Below Average**	**Median**	**Range**
Annual Revenues	$1,862,493.95	8 (36.4%)	14 (63.6%)	$1,692,476.05	$1,232,816.76 to $2,905,424.08
Cost of Goods (percentage)	32.06%	12 (54.5%)	10 (45.5%)	32.54%	31.15% to 35.30%
Overall Labor Costs (percentage)	27.57%	12 (54.5%)	10 (45.5%)	28.95%	21.85% to 34.86%
Imputed Royalty (5%)	$93,124.70				
Imputed Local Advertising and Promotion (1.5%–3%)	$27,937.41 to $55,874.82				
Imputed Marketing Contribution (1.5%–3%)	$27,937.41 to 55,874.82				

Notes for 19-B:

1. The table above represents results from 22 Roy Rogers Restaurants that are owned and operated by PEI. The oldest of the 22 Restaurants was opened in, and has been operated by PEI since, 1980, and the newest Restaurant was opened in 2016. The restaurants are located in Maryland, Virginia, and West Virginia. The 22 Restaurants included in the above figures range in size from 2,700 to 3,700 square feet, with an average size (including kitchen, serving area and dining room) of 3,500 square feet. On average, each Restaurant also contains seating for 80 customers, and has parking available for 45 vehicles. All 22 Restaurants were open seven days per week, and each Restaurant is open, on average, 112 hours per week. All 22 Restaurants are open for breakfast, lunch and dinner, and 21 of 22 Restaurants contain a single-window "drive-thru" facility. Two have significantly less parking than the other 21 Restaurants.

2. We do not receive similar cost data from other Restaurants in the System.

3. The averages set forth above were prepared from PEI's internal operating records which, in turn, were prepared in accordance with generally accepted accounting principles. The information presented in this Item 19 has not been audited.

4. The "**Annual Revenues**" include all revenues from the sale of all products, including all food and beverage products, all merchandise, and other products and services offered at or from each Restaurant, including delivery. This includes the full range of required Roy Rogers menu items, at all day-parts (such as hamburgers, roast beef sandwiches, chicken, side items, beverages, desserts, breakfast sandwiches, and platters, etc.). Annual Revenues excludes any customer refunds, sales taxes and/or other taxes collected from customers and actually transmitted to appropriate taxing authorities.

5. The average "**Cost of Goods**" percentage in the chart includes the cost of food, beverages and paper products, as divided by Annual Revenues (less tax and discounts) according to the following formula:

Cost of food, beverages and paper products

Annual Revenues less sales tax and discounts

6. The average "**Labor Costs**" percentage is based upon total wages (including taxes but excluding benefits) for all crewmembers, assistant managers and managers of each Restaurant. On average, each Restaurant employs one full-time manager and 2-3 assistant managers. Without PEI benefits, the average labor costs percentage is 27.1%. With PEI benefits, the average labor costs percentage is 32.0%. Benefits include holiday pay, vacation pay, payroll taxes, personal time off and health insurance. These benefits represent an expense to PEI of approximately 4.9% of total sales. Your benefits package to employees may include some, all or none of these expenses. These Restaurants are located in Maryland, Virginia, and West Virginia and, in 2021, the average hourly wage for a crewmember at these Restaurants was $12.61. The total amount of salaries for your employees and managers at a particular location will vary according to local wages, the number of employees, and the number of hours that the Restaurant is open for business. You must make labor and wage determinations based on your market, experience, and other factors. This amount does not include individual compensation to the franchisee.

7. "**Imputed Royalty**" is the average amount of royalty that would have been paid during our 2021 fiscal year, based on the standard 5% Royalty, as applied to the average Annual Revenues in Chart 19-B. This statement is required by applicable franchise regulations, but it is not a statement that you or any franchisee is expected to achieve the same level of revenues. It is intended only as a statement that if a Restaurant were to achieve the level of average Annual Revenues that was achieved by these Restaurants, this is the average amount of the royalty fee that would be owed to us.

8. "**Imputed Local Advertising and Promotion**" is the average minimum range that we would have required a franchisee to spend on local advertising and promotion during our 2021 fiscal year, as applied to the average Annual Revenues in Chart 19-B. The actual local advertising and promotion requirement during 2021 was 1.5%, though we have the right to require franchisees to spend up to 3% on local advertising and promotion. This statement is required by applicable franchise regulations, but it is not a statement that you or any franchisee is expected to achieve the same level of revenues. It is intended only as a statement that if a Restaurant were to achieve the level of average Annual Revenues that was achieved by these Restaurants, this is the average amount of money that we would require you to spend on local advertising and promotion. PEI-operated Restaurants incur local advertising and promotion expenditures, but such expenditures vary depending on the Restaurant.

9. "**Imputed Marketing Contribution**" is the average range that would have been paid during our 2021 fiscal year to the Marketing Fund, based on the required Marketing Contribution, as applied to the average Annual Revenues in Chart 19-B. The actual Marketing Contribution requirement during 2021 was 1.5%, though we have the right to require franchisees to pay a Marketing Contribution of up to 3%. This statement is required by applicable franchise regulations, but it is not a statement that you or any franchisee is expected to achieve the same level of revenues. It is intended only as a statement that if a Restaurant were to achieve the level of average Annual Revenues that was achieved by these Restaurants, this is the average amount of money that we would require you to contribute to the Marketing Fund. As described in Item 11, our current policy is to have all Roy Rogers Restaurants, including PEI operated Restaurants, contribute to the Marketing Fund on the same basis as our franchisees.

10. In addition to the amounts described above in Notes 7, 8, and 9, franchisees are also required to (a) pay a Cooperative contribution, if a cooperative is formed for your Territory and (b) spend a minimum of $10,000 through the Grand Opening Marketing Program. The System does not currently have any Cooperatives.

11. A franchisee will incur other expenses of doing business which are likely to be significant, and which vary widely among franchisees. Among the additional categories of expenses which franchisees may incur include, but will not necessarily be limited to, the following: rent and occupancy costs; franchisee compensation over and above that earned from the operations of the Restaurant business (such as a salary that a franchisee may pay to himself/herself); voluntary employee benefits, such as health, vacation, and pension plan contributions; debt service; insurance; Restaurant facilities and property maintenance (and reserve for future maintenance); business and regulatory fees and licenses; ongoing and supplemental training expenses; recruitment expenses; and bookkeeping and other professional services.

12. The information in Chart 19-B includes only PEI operated Restaurants, and not data from franchisee-owned and operated Restaurants because we do not require that our franchisees provide us, and we do not collect from our franchisees, cost of goods sold data or labor cost data for their Restaurants.

Other Notes for this Item 19:

- The information in this Item 19 reflects the aggregate results of 39 individual Roy Rogers Restaurants, 23 of which are franchised Restaurants. These are historical figures, and are not a projection of future results. These figures should not be considered a representation or guarantee that you will or may achieve any level of revenue, sales, or profits, or that you will experience the same or similar expenses or costs in the operation of your Roy Rogers Restaurant. A new franchisee's individual financial results may vary and may be lower.

- You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable and to consult your attorney, accountant, and other professional advisors before entering into a Franchise Agreement. You should construct your own pro forma cash flow statement, balance sheet, and statement of operations, and make your own financial projections regarding sales, revenues, costs, customer base, and business development for your own Roy Rogers Restaurant.

- **Some Restaurants have achieved these gross sales results. Your individual results may differ. There is no assurance that you'll generate as much.**

- Your results will be effected by factors such as prevailing economic or market area conditions, demographics, geographic location, interest rates, your capitalization level, the amount and terms of any financing that you may secure, the property values and lease rates, your business and management skills, staff strengths and weaknesses, and the cost and effectiveness of your marketing activities.

- Written substantiation of the data used in preparing these financial performance representations will be made available to a prospective franchisee upon reasonable request.

- Other than the preceding financial performance representation, we do not make any financial performance representations. 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 our management by contacting Jim Plamondon, our Co-President, Roy Rogers Franchise Company, LLC, 4991 New Design Road, Suite 109, Frederick, Maryland 21703, (301) 695-5051, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2019 to 2021
(Please review this table in conjunction with the notes that follow.)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	28	24	-4
	2020	24	26	+2
	2021	26	18	-8
Company-Owned (See Note 1 below)	2019	24	24	0
	2020	24	23	-1
	2021	23	25	+2
Total Outlets	**2019**	**52**	**48**	**-4**
	2020	**48**	**49**	**+1**
	2021	**49**	**43**	**-6**

Notes**:**

(1) These company-owned outlets are the 25 Restaurants operated by our affiliate PEI.
(2) The franchised outlet total at the end of 2020 includes one restaurant that closed temporarily.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For years 2019 to 2021

State	Year	Number of Transfers
Maryland	2019	2
	2020	0
	2021	0
Total	**2019**	**2**
	2020	**0**
	2022	**0**

Notes**:**

(1) There have been no franchise transfers to report in any states not listed above.

Table No. 3
Status of Franchised Outlets
For years 2019 to 2021 (1)
(Please review this table in conjunction with the notes that follow.)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons (2)	Outlets at End of the Year
Maryland	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	1	0	3
New Jersey	2019	9	0	2	0	0	2	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	2	3
New York	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	4	1
Pennsylvania	2019	6	0	0	0	0	0	6
	2020	6	2	0	0	0	0	8
	2021	8	0	0	0	0	0	8
Virginia	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	1	3
Total	**2019**	**28**	**0**	**2**	**0**	**0**	**2**	**24**
	2020	**24**	**2**	**0**	**0**	**0**	**0**	**26**
	2021	**26**	**0**	**0**	**0**	**1**	**7**	**18**

Notes**:**

(1) Our fiscal year-ends were December 28, 2021, December 29, 2020, and December 31, 2019.
(2) Includes closures due to travel plaza demolitions and new construction.
(3) States not listed in a chart had no franchised, company-owned or affiliate-owned outlets or activity during the relevant period.

Table No. 4
Status of Company-Owned Outlets
For years 2019 to 2021

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Maryland	2019	17	0	0	0	0	17
	2020	17	0	0	0	0	17
	2021	17	3	0	0	0	20
Virginia	2019	6	0	0	0	0	6
	2020	6	0	0	1	0	5
	2021	5	0	0	1	0	4
West Virginia	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total	**2019**	**24**	**0**	**0**	**0**	**0**	**24**
	2020	**24**	**0**	**0**	**1**	**0**	**23**
	2021	**23**	**3**	**0**	**1**	**0**	**25**

Table No. 5
Projected Openings as of December 28, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Maryland	0	0	1
Kentucky	0	0	0
Ohio	0	1	0
Indiana	0	1	0
Total	**0**	**2**	**1**

The names, addresses, and telephone numbers of our franchisees and developers (including prospective franchisees and developers who have signed a Preliminary Site Development Agreement or Development Agreement but have not (as of the end of the fiscal year) executed a Franchise Agreement or Development Agreement) are listed in **Exhibit F**. The name, last known city and state, and last known telephone number of every one of our franchisees or area developers who had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or Development Agreement during our last fiscal year, or who has not communicated with us within ten weeks of the date of this Disclosure Document are also listed in **Exhibit G** A list of our company-owned outlets operated by our affiliate PEI is attached to this Disclosure Document in **Exhibit H**.

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

There are no currently effective confidentiality agreements between us and any former or current franchisee.

We do not know of any trademark-specific franchisee organization associated with the franchise system being offered. No independent franchisee organization has asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

We have attached to this Disclosure Document as **Exhibit I** an audited consolidated balance sheet for Roy Rogers Franchise Company, LLC and its subsidiary as of December 28, 2021, December 29, 2020, and December 31, 2019, and the related consolidated statements of income, members' equity, and cash flows for the years then ended. We operate on an alternating 52/53 week fiscal year.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document:

1. Franchise Agreement (**Exhibit A**).
2. Preliminary Site Development Agreement (**Exhibit B**).
3. Area Development Agreement (**Exhibit C**)
4. Confidentiality and Non-Disclosure Agreement (for review of Manuals) (**Exhibit J**).
5. General Release (**Exhibit M**).

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document (**Exhibit O**) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this Disclosure Document.

Exhibit A

Franchise Agreement

ROY ROGERS

FRANCHISE AGREEMENT

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Exhibits:

A Approved Location and Territory
B Guarantee, Indemnification and Acknowledgement
C List of Principals
D ACH Authorization Form
E-1 ADA Certification for Conversion or Renovation
E-2 ADA Certification for New Construction
F Lease Rider
G Non-Disclosure and Non-Competition Agreement

ROY ROGERS

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this _____ day of _____, 20___ (the "**Effective Date**"), by and between:

- Roy Rogers Franchise Company, LLC a Maryland limited liability company whose principal place of business is 4991 New Design Road, Suite 109, Frederick, MD 21703 ("**Franchisor**"); and

- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ ("**Franchisee**").

BACKGROUND:

A. Franchisor owns a format and system (the "**System**") relating to the establishment and operation of quick service restaurant businesses operating in buildings that bear Franchisor's interior and exterior trade dress, under the "Roy Rogers" name and marks, which specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, special limited time offer menu items, and such additional products as Franchisor may designate from time to time for on-premises, "drive-thru" and carry-out consumption, and includes the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items (the "**Roy Rogers Restaurants**");

B. The distinguishing characteristics of the System include, without limitation, a specially-designed building or facility for restaurant operations, with specially developed equipment, equipment layouts, and signage; distinctive interior and exterior design, trade dress and accessories; specialized products, and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

C. Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark "Roy Rogers", and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by Franchisor in writing) for use in connection with the System (the "**Proprietary Marks**");

D. Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

E. Franchisee desires to enter into the business of operating a Roy Rogers Restaurant under the System, wishes to utilize the Proprietary Marks and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

F. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. GRANT

1.1 Grant of Rights. Upon the terms and conditions set forth in this Agreement, Franchisor hereby grants to Franchisee the right and franchise, and Franchisee accepts and undertakes the obligation, to: (a) operate one (1) Roy Rogers Restaurant under the System (the "**Restaurant**"); (b) to use, only in connection with the Restaurant, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) and to do so only at the location specified in Exhibit A (the "**Approved Location**"), which the Franchisor has consented to in writing prior to entering into this Agreement either in accordance with the terms of a site selection agreement between Franchisor and Franchisee (the "**Preliminary Site Development Agreement**"), or has otherwise been approved by Franchisor. Franchisee shall not relocate the Restaurant without Franchisor's prior written consent. Franchisor's acceptance or approval of the Approved Location under this Section 1.1 or the Preliminary Site Development Agreement does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the Approved Location for the Restaurant or for any other purpose. Franchisor shall not be responsible for the failure of the Approved Location to meet Franchisee's expectations for the Restaurant as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Restaurant at the Approved Location is based on its own independent investigation of the suitability of the site. In connection with Franchisor's consent to the Approved Location, Franchisee shall execute, and cause the landlord to execute, the Lease Rider appended hereto as Exhibit F.

1.2 Territory. During the term of this Agreement, Franchisor shall not establish, nor license any other person to establish, another Roy Rogers Restaurant at any location within the geographic area (the "**Territory**") defined in Exhibit A, except as otherwise provided in this Agreement. Franchisor retains all other rights, and may, among other things, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.2.1 to establish, and license others to establish, Roy Rogers Restaurants at any location outside the Territory notwithstanding their proximity to the Territory or the Approved Location or their actual or threatened impact on sales at Franchisee's Restaurant;

1.2.2 to establish, and license others to establish, Roy Rogers Restaurants at any institutional or captive audience facilities, including, without limitation, military bases, public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or interstate travel plazas, parks, arenas and convention centers, stadiums, malls, museums, art centers, contract or institutional food service operators, in theaters, warehouse clubs, theme parks, amusement parks, truck stops, and/or casinos ("**Institutional Facilities**") within or outside the Territory, notwithstanding such Roy Rogers Restaurants' proximity to the Approved Location or their actual or threatened impact on sales at Franchisee's Restaurant;

1.2.3 to establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products or services that are the same as, similar to, or different from the products and services offered from the Restaurant, and which restaurants or stores may be located within or outside the Territory, notwithstanding such stores' proximity to the Approved Location or their actual or threatened impact on sales at Franchisee's Restaurant;

1.2.4 to sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited, to sales made at retail locations, supermarkets, gourmet shops, mail order, and on the Internet, including Internet sales for delivery within the Territory), so long as such sales are not conducted from a Roy Rogers Restaurant operated from a location inside the Territory (excluding an Institutional Facility); and

1.3 Metaverse. Franchisor reserves, maintains, and controls all rights with respect to the use of the brand, Proprietary Marks, and System, in the metaverse.

1.4 Advertising and Promotional Materials. Franchisor and Franchisee acknowledge that advertising and promotional materials created, placed, and/or distributed by Franchisor, other franchisees operating under the System, or other entities authorized by Franchisor, may appear in media distributed in, or may be directed to prospective customers located within, the Territory, including on Franchisor's Website.

1.5 Sale of Products and Services. Unless otherwise permitted by Franchisor, Franchisee shall offer and sell products only from the Restaurant, only in accordance with the requirements of this Agreement and the procedures set forth in the Manuals, and only to retail customers for consumption on the Restaurant's premises, for personal, "drive-thru" and carry-out consumption. All sales of products at, from, or in connection with the Restaurant shall be recorded on the point-of-sale system described in Section 3.7, and shall be considered Gross Sales in accordance with Section 4.2.1. Franchisee shall not market or promote any products or services outside the Territory. Franchisee shall not offer or sell products or services authorized under this Agreement through any other means, including without limitation through catering or other delivery services, including third-party delivery sources, satellite locations, temporary locations, carts or kiosks, the Internet, or through any electronic media, without Franchisor's prior written approval. At Franchisor's option, Franchisor may consent to Franchisee offering catering or delivery services at the Restaurant, provided that Franchisee satisfies Franchisor's operating standards for catering or delivery. Such approval shall apply prospectively for all catering or

delivery operations from the Restaurant, and Franchisee need not seek approval on a job-by-job or delivery-by-delivery basis, if consistent with and in compliance with Franchisor's catering and delivery standards, guidelines and procedures; provided, however, that Franchisor shall have the right to revoke or modify its approval if Franchisee fails to satisfy Franchisor's standards, which may be modified from time to time.

2. TERM AND RENEWAL

2.1 Term. Except as otherwise provided herein, the initial term of this Agreement shall expire twenty (20) years from the date that the Restaurant commences operations (as designated by Franchisor), unless sooner terminated in accordance with the provisions hereof.

2.2 Renewal. Franchisee may, at its option, renew Franchisee's right to operate the Restaurant for one (1) additional term equal to the lesser of the following: (a) twenty (20) years from the effective date of the renewal Franchise Agreement, or (b) the time period between the effective date of the renewal Franchise Agreement and the date on which the lease for Franchisee's Restaurant expires (including all renewals or extensions thereto), subject to the following conditions, each of which must be met prior to each renewal:

2.2.1 Franchisee shall present evidence to Franchisor that Franchisee has the right to remain in possession of the premises of the Restaurant for the duration of the renewal term, or shall obtain approval by Franchisor of a new location for the Restaurant for the duration of the renewal term;

2.2.2 Franchisee shall give Franchisor written notice of Franchisee's election to renew no fewer than six (6) months nor more than twelve (12) months prior to the end of the initial term and the first (1st) renewal term;

2.2.3 Franchisee shall remodel the Restaurant to comply with the Franchisor's then-current standards in effect for new Roy Rogers Restaurants as described in Section 5.10 below;

2.2.4 Franchisee shall not be in default of any provision of this Agreement, any amendment to this Agreement, any successor to this Agreement, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates; and, in the reasonable judgment of Franchisor, Franchisee shall have substantially complied with all the terms and conditions of this Agreement, such other agreements, as well as the operating standards prescribed by Franchisor during the term of this Agreement;

2.2.5 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates, and to the Marketing Fund (defined below), and shall have timely met those obligations throughout the term of this Agreement;

2.2.6 Franchisee shall execute Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which shall not supersede this Section 2,

and except for the initial franchise fee which may be due under the new franchise agreement), and Franchisee acknowledges that the terms, conditions, and provisions of which, and the obligations of the parties thereto, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including, without limitation, a higher percentage royalty fee and marketing contribution, and a different or modified Territory;

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective past and present officers, directors, agents, and employees;

2.2.8 Franchisee and its personnel shall comply with Franchisor's then-current qualification and training requirements; and

2.2.9 Franchisee shall pay Franchisor an amount equal to Franchisor's then-current initial franchise fee.

2.3 Holdover. If Franchisee continues to operate the Restaurant after the end of the initial term or any renewal term hereof, without Franchisee exercising an option to renew, or without Franchisor granting a new or renewal term, with Franchisor's express or implied consent, and whether Franchisor's failure to exercise its rights upon termination or expiration under Section 14 was intentional or unintentional, Franchisee shall be deemed to be operating on a month-to-month basis under the terms and conditions of the then-expired Franchise Agreement. However, in such event, Franchisee may be terminated by Franchisor at any time upon one (1) month's prior written notice to Franchisee from Franchisor. If local law requires that Franchisor give notice of expiration or termination to Franchisee that is longer than one (1) month prior to the expiration of the term, such local law shall supersede this provision.

3. FRANCHISOR'S DUTIES

3.1 Restaurant Programming and Development. Franchisor shall make available, at no charge to Franchisee, brand criteria guidelines, and prototype architectural plans and specifications for the construction of a Restaurant and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Restaurant, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Whether the Restaurant will be newly constructed, a renovation of an existing building, the build-out of "plain vanilla" shell, or any other type of construction and build-out, Franchisee shall adapt, at Franchisee's expense, the standard specifications to the Restaurant location, subject to Franchisor's approval, as provided in Section 5.2.1 below and Section 5.2.2 below, which will not be unreasonably withheld, provided that such plans and specifications conform to Franchisor's criteria. Franchisee understands and acknowledges that Franchisor has the right to modify the prototype architectural plans and specifications as Franchisor deems appropriate from time to time

(however Franchisor will not modify the prototype architectural plans and specifications for the Restaurant developed pursuant to this Agreement once those prototype architectural plans and specifications have been given to Franchisee).

3.2 Pre-Opening Training, On Site and Ongoing Assistance. Prior to the date of opening of the Restaurant, Franchisor shall provide to Franchisee, and to Franchisee's Highly Trained Personnel (as defined in Section 5.7.1 below), such training programs as Franchisor may designate, to be conducted at such time(s) and location(s) designated by Franchisor. Franchisee may bring up to three (3) individuals to the initial and pre-opening training programs, which must include the Highly Trained Personnel. Franchisor shall not charge a training fee for such additional personnel. Franchisor shall provide an initial training program that may be, at Franchisor's sole and absolute right, up to ten (10) weeks in length, although such training may not be provided over ten (10) consecutive weeks. As part of the initial training program, if the Restaurant is Franchisee's first (1st) Roy Rogers Restaurant, Franchisor shall provide Franchisee with a minimum of seven (7) days on-site assistance at the Restaurant during the opening of the Restaurant. If the Restaurant is Franchisee's second (2nd) or additional Roy Rogers Restaurant, Franchisor shall provide Franchisee with a minimum of three (3) days on-site assistance at the Restaurant during the opening of the Restaurant. Franchisor shall also provide such ongoing training as it may, from time to time, deem appropriate. Franchisor shall be responsible for the cost of instruction and materials (except as set forth in Section 5.5.3 below), subject to the terms set forth in Sections 5.5 and 5.6 below. If Franchisor determines, at its sole option, that Franchisee requires assistance in addition to the level provided for in this Section 3.2, this will be considered supplemental assistance. Franchisee shall pay Franchisor's then-current per diem charges, as set forth in the Manuals or otherwise in writing, and any out-of-pocket expenses, for such supplemental assistance.

3.3 Manuals. Franchisor shall provide Franchisee with access to the confidential operations manuals (the "**Manuals**"), as more fully described in Section 7 below.

3.4 Advertising and Promotion. Franchisor shall review and shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, pursuant to Section 10 below.

3.5 Marketing Fund. Franchisor shall administer the Marketing Fund in the manner set forth in Section 10 below.

3.6 Grand Opening Marketing Program. Franchisor shall assist Franchisee in developing and conducting the Grand Opening Marketing Program (as described in Section 10.8 below), which program shall be conducted at Franchisee's expense.

3.7 Technology System. Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, computer software, and hardware to be used by, between, or among Roy Rogers Restaurants, including without limitation: (a) back office and point-of-sale (POS) systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Franchisee's Restaurant, between or among Roy Rogers Restaurants, and between and among Franchisee's Restaurant and Franchisor and/or

Franchisee; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) high speed internet access mode and email capabilities; (f) loyalty and mobile ordering systems; and (g) drive thru systems, order confirmation boards, and digital menu boards (collectively, the "**Technology System**"). Franchisor reserves the right to require Franchisee to purchase and utilize certain computer software in connection with the Technology System, for which Franchisee may be required to pay licensing and maintenance fees.

3.8 Inspection. Franchisor shall inspect the Restaurant prior to the opening of the Restaurant. Franchisee shall not commence operation of the Restaurant without Franchisor's prior written approval.

3.9 On-Going Assistance. Franchisor will provide periodic assistance to Franchisee in the marketing, management, and operation of the Restaurant as Franchisor determines at the time(s) and in the manner determined by Franchisor.

3.10 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.

4. ROYALTY FEES; SALES REPORTING

4.1 Initial Franchise Fee. Franchisee shall pay Franchisor an initial franchise fee of Thirty Thousand Dollars ($30,000) (the "**Initial Franchise Fee**"), which must be paid in full prior to or upon execution of this Agreement. If Franchisee has entered into a Preliminary Site Development Agreement, and if Ten Thousand Dollar**s** ($10,000) of the Initial Franchise Fee was paid at the time Franchisee entered into the Preliminary Site Development Agreement, then the remaining Twenty Thousand Dollars ($20,000) of the Initial Franchise Fee shall be paid upon execution of this Agreement. Payment of the Initial Franchise Fee shall be non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

4.2 Royalty Fees. For each Month during the term of this Agreement, or such other period as Franchisor may determine, Franchisee shall: (a) pay Franchisor a continuing royalty fee in an amount equal to five percent (5%) of the Gross Sales of the Restaurant ("**Royalty Fees**"); and (b) report to Franchisor in writing (or electronically) its Gross Sales (a "**Sales Report**"). As used in this Agreement, the following terms shall have the following meanings:

4.2.1 The term "**Gross Sales**" means all revenue from the sale of all products, including all food and beverage products, all merchandise, and all other products or services offered at or from the Restaurant (including, but not limited to, catering and delivery sales), and all other income of every kind and nature related to, derived from, or originating from the Restaurant, including revenue from ATMs, and proceeds of any business interruption insurance policies, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Gross Sales" excludes any customer refunds, sales taxes, and/or other taxes collected from customers by Franchisee and actually transmitted to the appropriate taxing authorities. Revenue

from gift card redemptions shall be considered "Gross Sales" in accordance with Franchisor's then-current gift card policy. Franchisor reserves the right to modify its policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change. For example, and by way of illustration and not limitation, in the event new technologies and practices, such as "Groupon," "Living Social" and other "deal-of-the-day" discounts, or special pricing for third-party delivery services, such as Grubhub, Door Dash, or Uber Eats, generate revenue for the Restaurant that may not be associated with a particular sale of products, Franchisor may establish policies to identify which revenues are, and are not, part of Gross Sales.

4.2.2 The term "**Month**" shall mean a calendar month or such other period of time as Franchisor may designate; provided, however, that Franchisor shall not designate more than thirteen (13) periods during each calendar year as a "Month."

4.3 Payments. All payments required by Section 4.2 above and Section 10 below based on the Gross Sales for the preceding Month, and the Sales Report required by Section 4.2 for the Gross Sales for the preceding Month, shall be paid and submitted so as to be received by Franchisor by the tenth (10^{th}) business day of each Month. Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under Section 9.3 below, at the time and in the format reasonably requested by Franchisor. If requested by Franchisor, Franchisee shall establish an arrangement for electronic funds transfer/automatic clearing house or deposit of any payments required under Sections 4 or 10. Franchisee shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit D, and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manual. If Franchisee makes any payments to Franchisor under this Agreement by check, and such check is returned to Franchisee without having made payment to Franchisor, or if there are insufficient funds in Franchisee's account to complete the required electronic funds transfer/automated clearing house or deposit, then Franchisor shall have the right to charge Franchisee a fee of Two Hundred and Fifty Dollars ($250) for each such returned check, and/or each instance of insufficient funds. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Royalty Fees and Marketing Contributions (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor, the Marketing Fund, or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including without limitation Royalty Fees or Marketing Contributions, nor withhold or delay submission of any reports due hereunder including but not limited to Sales Reports.

4.4 No Subordination. Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalty fee and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

4.5 Overdue Payments. Any payment or report not actually received by Franchisor (or the appropriate marketing fund) on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

4.6 Payments on Behalf of Franchisee. Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

5. FRANCHISEE'S DUTIES

5.1 System Standards. Franchisee understands and acknowledges that every detail of the Restaurant is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchisees, and to protect Franchisor's reputation and goodwill.

5.2 Restaurant Programming and Development Obligations. Before commencing any construction of the Restaurant, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

5.2.1 Franchisee shall employ a qualified, licensed architect or engineer who is reasonably acceptable to Franchisor to prepare, for Franchisor's approval, preliminary plans and specifications for site improvement and construction of the Restaurant based upon prototype design and image specifications furnished by Franchisor in the Manual, and as may otherwise be authorized by Franchisor due to the particularities of the site of the Approved Location. Franchisor's approval shall be limited to conformance with Franchisor's standard image specifications and layout and shall not relate to Franchisee's obligations with respect to any federal, state and local laws, codes and regulations including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant, which subjects shall be Franchisee's sole responsibility.

5.2.2 In the event Franchisee employs an architect or engineer that has not been previously approved by Franchisor, or who, in Franchisor's sole judgment, does not have sufficient knowledge and experience in providing architectural and design services to Roy Rogers franchisees and operators, Franchisor may impose an "Architectural Review Fee" of $2,500, which Franchisee shall pay prior to submitting its plans to Franchisor for its review, and which shall be used by Franchisor to defray a portion of Franchisor's cost in having Franchisee's plans reviewed by Franchisor's architect. Such fee shall not be applicable if Franchisee retains and utilizes Franchisor's designated or approved architect.

5.2.3 Franchisee shall submit to Franchisor, in writing, for Franchisor's review and consent or approval, Franchisee's proposed capitalization structure and financing plans for the construction, development and operation of the Restaurant, including the sources and uses of

funds, in the form and matter as specified by Franchisor. Once approved or consented by Franchisor, Franchisee shall follow and comply with such plan, unless any changes have been agreed to by Franchisor, in advance and in writing.

5.2.4 Franchisee shall notify Franchisor, in writing, prior to Franchisee's submission of any site plans, Construction Plans (defined below), or other materials to any public or quasi-public agency for approval of such agency. Copies of any such submissions must be made available to Franchisor upon request.

5.2.5 Franchisee shall comply with all federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant. If Franchisee receives any complaint, claim, or other notice alleging a failure to comply with the ADA, Franchisee agrees that it shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

5.2.6 Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location.

5.2.7 After having obtained such approvals and clearances, Franchisee shall prepare final and complete plans and specifications for the construction (whether in connection with new construction, renovation, or otherwise) and decoration of the Restaurant, which must be in conformity with Franchisor's standards and specifications for Restaurants, as set out in the plans and specifications made available to Franchisee, the Manuals (as defined in this Franchise Agreement) or otherwise in writing (the "**Construction Plans**"). Franchisor will make available to Franchisee standard plans and specifications to be utilized only in the development of Franchisee's Construction Plans for the Restaurant. Franchisee may not modify or deviate from such standard plans and specifications or Franchisee's approved equipment plan (including any modifications or deviations that may be required by local or state laws, regulations or ordinances) without Franchisor's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

5.2.8 Franchisor's review and approval of the Construction Plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for Restaurants, including such items as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Restaurants. Franchisor shall not review nor shall any approval be deemed to include Franchisee's compliance with federal, state, or local laws and regulations, including the ADA, and Franchisee acknowledges and agrees that compliance with such laws is and shall be Franchisee's sole responsibility. Once approved by Franchisor, such final Construction Plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a material default under this Agreement and Franchisor may withhold its authorization to open the Restaurant for business until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction.

5.2.9 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Restaurant and shall certify in writing to Franchisor that all such permits and certifications have been obtained.

5.2.10 Franchisee shall employ a qualified licensed general contractor who is reasonably acceptable to Franchisor to construct the Restaurant and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 11 below; and Franchisee shall deliver to Franchisor such proof of such insurance as Franchisor shall require.

5.3 Construction of the Restaurant. Franchisee shall construct, furnish, and open the Restaurant according to the requirements contained herein, and Franchisee shall open the Restaurant not later than one (1) year from the Effective Date. Time is of the essence. Prior to opening for business, Franchisee shall comply with all restaurant development and pre-opening requirements set forth in this Agreement (including without limitation those with respect to the Grand Opening Marketing Program), the Manuals, and/or elsewhere in writing by Franchisor. Within thirty (30) days of the opening of the Restaurant, Franchisee shall provide to Franchisor a full breakdown of all costs associated with the development and construction of the Restaurant in such form as Franchisor may reasonably require. Additionally, prior to opening the Restaurant, and after any renovation, Franchisee shall execute and deliver to Franchisor an ADA Certification in the form attached to this Agreement as Exhibit E-1 or E-2 (as applicable); to certify to Franchisor that the Restaurant and any proposed renovations comply with the ADA.

5.4 Restaurant Opening. In connection with the opening of the Restaurant:

5.4.1 Franchisee shall conduct, at Franchisee's expense, such grand opening promotional and advertising activities as Franchisor may require, as set forth in Section 10 below.

5.4.2 Franchisee shall provide at least thirty (30) days' prior notice to Franchisor of the date on which Franchisee proposes to first open the Restaurant for business. Franchisor reserves the right to require the on-site presence of a representative of Franchisor at the opening of the Restaurant, and if so required, the Restaurant may not open without such representative in attendance; provided, however, that such requirement will not unreasonably delay the opening of the Restaurant.

5.4.3 Franchisee shall not open the Restaurant until Franchisor has determined that all construction has been substantially completed, and that such construction conforms to Franchisor's standards including, but not limited, to materials, quality of work, signage, decor, paint, and equipment, and Franchisor has given Franchisee written approval to open, which approval shall not be unreasonably withheld. Franchisor may condition its written approval for Franchisee to open the Restaurant on Franchisee's completion of a "punch list" of outstanding action items provided to Franchisee by Franchisor, and Franchisee shall complete such "punch list" within the timeframe designated by Franchisor.

5.4.4 Franchisee shall not open the Restaurant until the Principal Owner (defined in Section 5.5) and Director of Operations (as defined in Section 5.5) have successfully completed

all training required by Franchisor, and Franchisee has hired and trained to Franchisor's standards a sufficient number of employees to service the anticipated level of the Restaurant's customers. Franchisee will have sole authority and discretion regarding all employment matters relating to personnel, including, without limitation, all hiring, firing, discipline, compensation, benefits, and scheduling.

5.4.5 In addition, Franchisee shall not open the Restaurant until all amounts due to Franchisor under this Agreement or any other related agreements have been paid.

5.5 Personnel and Management. Franchisee acknowledges and agrees that the Restaurant must be operated and managed by individuals who meet Franchisor's standards and specifications, and who have been fully and successfully trained in the system, specifications, procedures and philosophies of the System, and can deliver and train others to deliver products, services, and customer service in the manner that reflects the brand standards of the System and the Proprietary Marks.

5.5.1 Franchisor expects that Franchisee will have in place the following personnel, who must complete the training described in Section 5.6:

5.5.1.1 Franchisee shall have in place one (1) Principal Owner, who meets the following criteria: (a) the Principal Owner must be a person who has an ownership interest in Franchisee, (b) the Principal Owner must have executed the Guarantee, Indemnification and Acknowledgement appended to this Agreement as Exhibit B, (c) the Principal Owner must attend, and successfully complete to Franchisor's satisfaction, an executive-level training program regarding the System and brand standards (which may include a mandatory brand orientation program), and (d) the Principal Owner must otherwise meet Franchisor's standards and specifications (the "**Principal Owner**"). Franchisor has the right to require the Principal Owner to have a minimum ownership interest of not less than Ten Percent (10%) of the voting equity of the franchisee entity. The Restaurant shall also be under the active full-time management of either Franchisee or the Principal Owner who has successfully completed (to Franchisor's satisfaction) Franchisor's initial training program, or another member of Franchisee's personnel that meets Franchisor's standards and specifications.

5.5.1.2 Franchisee shall have in place one (1) Director of Operations (or a district manager or equivalent position above the level of property supervisor/manager(s)), who meets Franchisor's standards and specifications and has successfully completed Franchisor's full training program and all ongoing and supplemental training. Franchisee's Director of Operations and Principal Owner may be the same person.

5.5.1.3 Franchisee shall have in place three (3) to four (4) managers (one of whom will be a "General Manager") who will be responsible for day-to-day operations of the Restaurant, and all of whom must successfully complete the full training program and all ongoing and supplemental training.

5.5.1.4 Franchisee agrees to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers, including at least one (1) manager on

duty at all times and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe. Franchisee shall ensure that each of its Highly Trained Personnel (defined below) obtain and maintain such food sanitation permits, certifications, or licenses for the operation of the Restaurant as Franchisor may specify from time to time in the Manuals or otherwise in writing. Franchisor shall have the right to require Franchisee to employ one or more district managers (who shall be individuals reasonably acceptable to Franchisor) to supervise the day to day operations of Franchisee's restaurants, if Franchisee (and/or an affiliate of Franchisee) operates more than one (1) Roy Rogers Restaurant. Any such district managers shall be required to attend and successfully complete the training courses specified in Section 5.6 below.

5.5.2 You (if you are an individual), your Director of Operations and the General Manager are considered "**Highly Trained Personnel**," and the Principal Owner may be a Highly Trained Personnel if he/she completes the full training program. Variations of these titles and duties may be approved by Franchisor in its sole discretion, based on the particular circumstances surrounding the Franchisee, and Franchisee's ownership group and management team, and the Restaurant.

5.5.3 If any of the Highly Trained Personnel cease active management or employment at the Restaurant, Franchisee shall enroll a qualified replacement (who shall be reasonably acceptable to Franchisor) in Franchisor's initial training program not more than thirty (30) days after the cessation of the former person's full-time employment and/or management responsibilities. The replacement shall attend and successfully complete the basic management training program, to Franchisor's reasonable satisfaction, as soon as it is practical to do so, and shall pay to Franchisor the then-current fee charged by Franchisor for such training. Franchisor's current fee to provide such training to an approved replacement for any of Franchisee's Highly Trained Personnel is One Thousand Five Hundred Dollars ($1,500).

5.5.4 Franchisee shall be solely responsible for all employment decisions and functions of the Restaurant including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether Franchisee receives advice from Franchisor on these subjects. Franchisee acknowledges and agrees that all personnel decisions shall be made by Franchisee, without any influence or advice from Franchisor, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Franchisor.

5.6 Training. Franchisee and the personnel described in Section 5.5 shall complete all required training, as follows:

5.6.1 Prior to the opening of the Restaurant, all Highly Trained Personnel described in Section 5.5.2 shall attend and successfully complete, to Franchisor's satisfaction, the full initial training program offered by Franchisor, pursuant to Section 3.2 above.

5.6.2 The Highly Trained Personnel may also be required to attend such refresher courses, seminars, and other training programs as Franchisor may reasonably specify

from time to time, including up to ten (10) days of refresher programs each year during the term of the Agreement. In addition, Franchisee or such of the Highly Trained Personnel as Franchisor may require, may be required to attend Franchisor's annual convention for up to three (3) days per year.

5.6.3 The cost of all training (instruction and required materials) and any additional training, shall be borne by Franchisor. All other expenses incurred in connection with training and, if required, attendance at Franchisor's annual convention, including without limitation the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

5.6.4 If Franchisee requests that Franchisor provide supplemental on-site training in addition to that described in Section 3.2 above, or if Franchisor, at its sole option, determines that Franchisee requires supplemental training, then Franchisee agrees that it shall pay Franchisor's then-current per diem charges, as set forth in the Manuals or otherwise in writing, and Franchisor's out-of-pocket expenses, for such supplemental training.

5.7 Restaurant Premises. Franchisee shall use the Restaurant premises solely for the operation of the Restaurant; shall keep the Restaurant open and in normal operation for such hours and days as Franchisor may from time to time specify in the Manuals or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the Restaurant premises for any other purpose or activity at any time. As used in this Section 5.7, the term "premises" shall include the grounds surrounding the Restaurant.

5.8 Health Standards. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee shall furnish to Franchisor, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Restaurant.

5.9 Restaurant Maintenance. Franchisee shall at all times maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or repair of signs, furnishings, equipment, and décor, as well as such site maintenance and surface parking lot repair as Franchisor may reasonably direct or require. Franchisee shall ensure that the Technology System is maintained on a regular basis, and is fully functioning during all business hours and such other times as may be specified by Franchisor. Franchisor may also require Franchisee to enter into contracts with designated or approved suppliers for the maintenance of the Technology System.

5.10 Refurbishing. In addition to the maintenance obligations set forth in Section 5.9, Franchisee shall undertake such periodic and ongoing refurbishing and upgrading of the Restaurant, the Restaurant premises, and the furniture, fixtures, equipment, décor, signage and trade dress of the Restaurant, as required by Franchisor in the Manuals or otherwise in writing.

5.11 Remodeling. Without limiting Section 5.10, not sooner than one (1) year after the date upon which the Restaurant opens for business, and again as a pre-condition to renewal pursuant to Section 2.2.2 above, Franchisee shall remodel the Restaurant at its expense to conform to the building design and operational layout, exterior facade, trade dress, signage, furnishings, decor, color schemes, and presentation of the Proprietary Marks, in a manner consistent with the image then in effect for new Restaurants, including without limitation remodeling, redecoration, and modifications to existing improvements, as Franchisor may require in writing (collectively, "**Facilities Remodeling**"). The following provisions shall apply to Facilities Remodeling:

5.11.1 Franchisee shall be required to engage in Facilities Remodeling once every ten (10) years during the term of this Agreement; provided, however, that Franchisor may require Facilities Remodeling more often if such Facilities Remodeling is required as a pre-condition to renewal as described in Section 2.2.2 above.

5.11.2 The limitation on the frequency or scope of Facilities Remodeling shall not include repair to, or the normal upkeep of, the Restaurant as described in Section 5.9, nor shall it include Equipment Upgrades (as defined below).

5.11.3 Franchisee shall have six (6) months after receipt of Franchisor's written notice within which to complete Facilities Remodeling, failure to do so shall constitute a material default for which Franchisor may terminate this Agreement in accordance with Section 13.2 below.

5.12 Equipment Upgrades. Franchisee shall make, from time to time, such upgrades and other changes to the equipment utilized in the Restaurant and the Technology System as Franchisor may request in writing (and as also specified in Section 3.8 above) (collectively, "**Equipment Upgrades**"). Franchisor shall have the right to require any Equipment Upgrades it deems necessary for Franchisee's Restaurant.

5.13 Funds for Facilities Remodeling and Equipment Upgrades. If so required by Franchisor, Franchisee shall maintain a bank account into which it shall deposit funds for the purpose of conducting Facilities Remodeling and Equipment Upgrades. Such funds shall be maintained in an account separate from Franchisee's other monies, and Franchisee shall deposit into this account such amounts, at such times, as Franchisor may specify in the Manuals or otherwise in writing.

5.14 Standards and Specifications. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

5.14.1 To maintain in sufficient supply, and to use and/or sell at all times only such products, ingredients, materials, supplies, and paper goods as conform to Franchisor's written standards and specifications, and to refrain from deviating therefrom by the use or offer of any non-conforming items without Franchisor's specific prior written consent.

5.14.2 To sell or offer for sale only such products as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all such products, utilizing the ingredients and employing the preparation standards and techniques, as specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications, including manner of preparation of products, without Franchisor's prior written consent; and to discontinue selling and offering for sale any products which Franchisor shall have the right to disapprove, in writing, at any time. If Franchisee deviates or proposes to deviate from Franchisor's standards and specifications, whether or not such deviation is approved by Franchisor, such deviation shall become the property of Franchisor.

5.14.3 To permit Franchisor or its agents, at any reasonable time, to remove samples of products, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

5.14.4 To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor shall specify; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting Franchisor's standards and specifications.

5.14.5 To fully and faithfully comply with all applicable governing authorities, laws and regulations (including, but not limited to, the "Food Code" promulgated by the U.S. Food and Drug Administration). Franchisee shall immediately close the Restaurant and terminate operations in the event that: (i) any products sold at the Restaurant evidence adulteration, deviation, or contamination from the standards set for products by Franchisor; (ii) any products sold at the store fail to comply with applicable laws or regulations; or (iii) Franchisee fails to maintain the products, Restaurant premises, equipment, personnel, or operation of the Restaurant in accordance with any applicable law or regulations. In the event of such closing, Franchisee shall immediately notify Franchisor in writing and Franchisee shall destroy immediately in accordance with procedures set forth in the Manual, or otherwise in writing by Franchisor, all products which it knows, or should know through the exercise of reasonable care, to be adulterated, tainted, contaminated, spoiled, unsafe, or otherwise unfit for human consumption and eliminate the source thereof, and remedy any unsanitary, unsafe, or other condition or other violation of the applicable law or regulation. Franchisee shall not reopen the Restaurant until after Franchisor has inspected the Restaurant premises, and Franchisor has determined that Franchisee has corrected the condition and that all products sold at the Restaurant comply with Franchisor's standards.

5.15 Suppliers. Franchisee shall purchase all products, ingredients, supplies, materials, and other products used or offered for sale at the Restaurant solely from suppliers that Franchisor has approved in writing. In determining whether it will approve any particular supplier, Franchisor shall consider various factors, including a supplier who can demonstrate, to Franchisor's

continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items; who possesses adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who would enable the System, in Franchisor's sole opinion, to take advantage of marketplace efficiencies; and who has been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. For the purpose of this Agreement, the term "supplier" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisee recognizes that Franchisor shall have the right to appoint only one manufacturer, distributor, reseller, and/or other vendor for any particular item.

5.15.1 If Franchisee wishes to purchase any products or any items from an unapproved supplier, Franchisee shall first submit to Franchisor a written request for such approval. Franchisee shall not purchase any products or services from any supplier until, and unless, such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Franchisor may render to such suppliers. Franchisor reserves the right, at its option, to reinspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

5.15.2 Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier, nor to require Franchisor to make available to prospective suppliers, standards and specifications for formulas, which Franchisor shall have the right to deem confidential.

5.15.3 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Restaurants with some or all of the products and/or services that Franchisor requires for use and/or sale in the development and/or operation of Restaurants. In this event, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all products and other products and services, and/or refuse any of Franchisee's requests if Franchisor believes that this action is in the best interests of the System or the franchised network of Restaurants. Franchisor shall have the unlimited and absolute right to approve or disapprove of the suppliers who may be permitted to sell products to Franchisee.

5.15.4 Franchisee acknowledges and agrees that Franchisor shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies,

payments or benefits (collectively, "**Allowances**") offered by suppliers to Franchisee or to Franchisor or its affiliates based upon Franchisee's purchases of products and other goods and services. These Allowances are based on System-wide purchases of food, beverages, paper goods, merchandise and other items. Franchisee assigns to Franchisor or its designee all of Franchisee's right, title and interest in and to any and all such Allowances and authorizes Franchisor or its designee to collect and retain any or all such Allowances without restriction (unless otherwise instructed by the supplier).

5.16 Promotional Materials. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including without limitation disposable food and beverage containers, bags, napkins, menus, and all forms and stationery used in the Restaurant), any and all replacement trade dress products, and other items which may be designated by Franchisor to bear the Franchisor's then-current Proprietary Marks and logos in the form, color, location, and manner then-prescribed by Franchisor.

5.17 Inspections. Franchisee grants Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections, for among other purposes, preserving validity of the Proprietary Marks, and verifying Franchisee's compliance with this Agreement and the policies and procedures outlined in the Manuals. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct any deficiencies detected during any such inspection within the time period prescribed by Franchisor.

5.18 Franchisee Structure.

5.18.1 Except as otherwise approved in writing by Franchisor, if Franchisee is a corporation, it shall: (i) confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Restaurant; (ii) maintain stop transfer instructions on its records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to Franchisor, appears which references the transfer restrictions imposed by this Agreement; (iii) not issue any voting securities or securities convertible into voting securities; and (iv) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Franchisee and furnish the list to Franchisor upon request.

5.18.2 If Franchisee is a partnership or limited liability partnership it shall: (i) furnish Franchisor with its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto; and (ii) prepare and furnish to Franchisor, upon request, a current list of all general and limited partners in Franchisee.

5.18.3 If a Franchisee is a limited liability company, Franchisee shall: (i) furnish Franchisor with a copy of its articles of organization and operating agreement, as well as such other documents as Franchisor may reasonably request, and any amendments thereto; (ii) prepare and furnish to Franchisor, upon request, a current list of all members and managers in Franchisee;

and (iii) maintain stop transfer instructions on its records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement.

5.19 Guarantee of Performance. Each present and future shareholder of a corporate Franchisee, member of a limited liability company Franchisee, partner of a partnership Franchisee, or partner of a limited liability partnership Franchisee, who possesses twenty percent (20%) or more of the outstanding equity in Franchisee, shall jointly and severally guarantee Franchisee's performance of each and every provision of this Agreement by executing the Guarantee, Indemnification and Acknowledgement in the form attached to this Agreement as Exhibit B; provided, however, that no guarantee shall be required from a person who acquires Franchisee's securities (other than a controlling interest) if and after Franchisee becomes registered under the Securities Exchange Act of 1934.

5.20 Technology System. At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Technology System. Franchisor shall have the right at any time to retrieve and use such data and information from Franchisee's Technology System that Franchisor deems necessary or desirable. In view of the contemplated interconnection of Technology Systems and the necessity that such systems be compatible with each other, and Franchisee expressly agrees that it shall strictly comply with Franchisor's standards and specifications for all item(s) associated with Franchisee's Technology System, and will otherwise operate its Technology System in accordance with Franchisor's standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and Technology Systems installed by Franchisee, Franchisor, and other franchisees, Franchisee agrees, at its expense, that Franchisee shall keep its Technology System in good maintenance and repair, and following the determination that Franchisor shall have the right to make, to the effect that same will prove economically or otherwise beneficial to all System franchisees, that Franchisee shall promptly install at its expense such additions, changes, modifications, substitutions, upgrades and/or replacement to Franchisee's computer hardware, software, telephone and power lines, and other related facilities, as Franchisor directs periodically in writing.

5.21 Data. Franchisee agrees that all data that it collects from customers and potential customers in connection with the Restaurant ("**Customer Data**") is deemed to be owned exclusively by Franchisor, and Franchisor may make use of such data in any manner Franchisor deems appropriate in Franchisor's sole and absolute right including, but not limited to, disseminating such data to other franchisees. Franchisee also agrees to provide the Customer Data to Franchisor at any time that Franchisor requests. Franchisee has the right to use Customer Data while this Agreement or a successor or renewal Franchise Agreement is in effect, but only in connection with operating the Restaurant and only in accordance with the policies that Franchisor establishes from time to time. Franchisee may not sell, transfer, or use Customer Data for any purpose other than operating the Restaurant and marketing "Roy Rogers brand" products and services. However, if Franchisee transfers the Restaurant (as provided in Section 12 below), as part of the transfer, Franchisee must also transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Restaurant.

5.22 Privacy Laws. Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**").

5.22.1 Franchisee agrees to 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 said conflict; and (iii) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Privacy Laws within the bounds of applicable law.

5.22.2 Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

5.23 Website. Franchisor will maintain a Website for benefit of Franchisor and its franchisees. Franchisee shall not establish a Website or permit any other party to establish a Website that relates in any manner to its Restaurant or referring to the Proprietary Marks. Franchisor has the right, but not the obligation, to provide one or more references or webpage(s) to Franchisee's Restaurant, as Franchisor may periodically designate, within Franchisor's Website. (The term "**Website**" as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social networking or social media sites or applications (including but not limited to Facebook, Twitter, LinkedIn, Instagram, YouTube, etc.), blogs, vlogs, and other applications, etc.) If Franchisor ever does approve in writing a request for Franchisee to use a separate Website, then Franchisor has the right to require that Franchisee meet any or all of the following requirements (but this provision is not meant to imply that Franchisor is obligated to permit Franchisee to have its own Website):

5.23.1 Franchisee agrees that any Website that it owns or that is maintained for its benefit will be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's prior written approval pursuant to Section 10.8 below.

5.23.2 Franchisee agrees that before establishing any Website, Franchisee will submit to Franchisor, for Franchisor's prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta data and meta tags) in the form and manner Franchisor may reasonably require.

5.23.3 Franchisee agrees not to use or modify any such Website without Franchisor's prior written approval as to such proposed use or modification.

5.23.4 Franchisee agrees, in addition to any other applicable requirements, to comply with Franchisor's written standards and specifications for Websites, whether set forth in the Manuals or otherwise.

5.23.5 Franchisee agrees that, upon Franchisor's written request, Franchisee will promptly establish and maintain links from Franchisee's Website to Franchisor's Website (and such other Websites as Franchisor may request).

5.24 POS or Cash Register Systems. Franchisee agrees to record all sales on computer-based point-of-sale systems or such other types of cash register systems that Franchisor has the right to designate or approve in the Manuals or otherwise in writing ("**POS System**"). The POS System is deemed to be part of Franchisee's Technology System. Franchisee must utilize computer-based point-of-sale devices that are fully compatible with any program or system that Franchisor has the right to designate, and Franchisee must record all Gross Sales and all revenue information on such equipment.

5.25 E-Mail, Internet and Other Media; E-Mail and Fax Communications. Franchisee must comply with Franchisor's requirements and policies (as described in the Manuals or otherwise in writing) with respect to the transmission of all e-mails in connection with the Restaurant and the business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Restaurant and the business. Such activities include, without limitation, participation in any Internet "blogs" or social media sites. Any such activities which are not expressly permitted in the Manuals or otherwise in writing, or for which Franchisee has not previously received approval from Franchisor, shall be subject to Franchisor's approval as described in Section 10.8 below.

5.25.1 Franchisee agrees that exchanging information with Franchisor by e-mail and fax is an important way to enable quick, effective, and efficient communication, and that Franchisor is entitled to rely upon each other's use of e-mail and faxes for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail and fax to exchange information, Franchisee authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "**Official Senders**") to Franchisee and Franchisee's employees during the term of this Agreement. Franchisor's list of Official Senders shall be the master and official list of Official Senders.

5.25.2 Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements and solicitations. Franchisor's review of Franchisee's advertisements or solicitations, or of Franchisee's plan for transmitting such advertisements or solicitations, is only for Franchisor's benefit and Franchisor's review will pertain to whether the proposed advertisements or solicitations comply with Franchisor's specifications. In addition to any other provision of this Agreement, Franchisee agrees that it will be solely responsible for complying with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003") and the Telephone Consumer Protection Act of 1991.

5.25.3 Franchisee agrees that: (a) Official Senders are authorized to send e-mails and faxes to Franchisee and its employees; (b) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as Franchisor may reasonably require) to Official Senders' transmission of e-mails and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails and/or faxes, from Official Senders during the term of this Agreement.

5.25.4 The consent given above in this Section 5.25 will not apply to the provision of formal notices under this Agreement by either party using e-mail unless and until the parties have otherwise agreed, in a pen-and-paper writing that both parties have signed.

5.26 Credit Cards and Other Methods of Payment. At all times, Franchisee must maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, gift card vendors, and electronic-funds-transfer systems (including, but not limited to, mobile payment platforms) that Franchisor designates as mandatory, and Franchisee must not use any such services or providers that Franchisor has not approved in writing or for which Franchisor has revoked its approval. Franchisor has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Franchisee must comply with all credit-card policies, including minimum purchase requirements for a customer's use of a credit card as prescribed in the Manuals. Franchisee must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as Franchisor may specify, and the Fair and Accurate Credit Transactions Act ("FACTA"). Franchisee shall also upgrade periodically its POS System and related software, at Franchisee's expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

5.27 Uniforms. To promote a uniform System image, Franchisee shall require all of its Restaurant personnel to dress during business hours in the attire specified in the Manuals. Franchisee shall purchase such attire only from approved suppliers.

5.28 Incentive Programs. Franchisee shall offer for sale, and will honor for purchases by customers, any incentive or convenience programs which Franchisor may institute from time to time, and Franchisee shall do so in compliance with Franchisor's standards and procedures for such programs. With respect to the sale of all products, services or merchandise, Franchisee shall have sole discretion as to the prices to be charged to customers.

5.29 Franchisee Advisory Council. Franchisor reserves the right to create a "Franchisee Advisory Council," or similar advisory group, for the purpose of fostering communication among and between franchisees and Franchisor, as well as to establish, modify or discuss various policies applicable to Roy Rogers businesses operating under the System. If and when the Franchisee

Advisory Council is created, Franchisee shall be required to participate in such Franchisee Advisory Council meetings and programs as Franchisor shall designate. Franchisee may be required to pay such dues to the Franchisee Advisory Council as Franchisor shall determine, and Franchisee shall pay all costs and expenses incurred in connection with participation in the Franchisee Advisory Council including, without limitation, the costs of transportation, lodging, and meals.

5.30 System Modifications. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System as Franchisor deems appropriate, including without limitation, to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Roy Rogers Restaurants. Franchisor's changes to the System may include, without limitation, the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food and beverage products and services, and new trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Restaurant any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the sole and absolute right to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any Roy Rogers Restaurant or the System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder.

6. PROPRIETARY MARKS

6.1 Ownership of the Proprietary Marks. Franchisor represents with respect to the Proprietary Marks that:

6.1.1 Roy Rogers Trademark Company, LLC ("**RRTC**") is the owner of all right, title, and interest in and to the Proprietary Marks.

6.1.2 Franchisor has received from RRTC a license to use, and to license others to use, the Proprietary Marks.

6.1.3 Franchisor has taken and will take all steps reasonably necessary to preserve and protect RRTC's ownership of and validity in, and Franchisor's right to use, the Proprietary Marks.

6.2 Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

6.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor; all items bearing the Proprietary Marks shall bear the then-current logo.

6.2.2 Franchisee shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in franchisor-approved advertising for the business conducted at or from that location.

6.2.3 Unless Franchisor otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Restaurant only under the name "Roy Rogers" without prefix or suffix.

6.2.4 During the term of this Agreement and any renewal of this Agreement, Franchisee shall identify itself (in a manner reasonably acceptable to Franchisor) as the owner of the Restaurant in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Restaurant as Franchisor may designate in writing.

6.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

6.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.

6.2.7 Without Franchisor's prior written approval, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name, or as part of any e-mail address, Website (defined in Section 10.10 below), domain name or any other electronic media (including use with any prefix, suffix, other modifying words, terms, designs, or symbols), or in any other manner connected with a Website, advertisements on a Website, or other similar electronic media means.

6.2.8 Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

6.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:

6.2.9.1 Franchisee shall promptly notify Franchisor of any suspected infringement of, or any suspected unauthorized use of, the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to RRTC's ownership of, or Franchisor or Franchisee's right to use, the Proprietary Marks licensed hereunder. Franchisee acknowledges that Franchisor and/or RRTC shall have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any

settlement thereof. Franchisor and/or RRTC shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

6.2.9.2 If Franchisee has used the Proprietary Marks in accordance with this Agreement, Franchisor shall defend Franchisee at Franchisor's expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of Franchisee's use thereof. If Franchisee has not used the Proprietary Marks in accordance with this Agreement, Franchisor will defend Franchisee, at Franchisee's expense, against such third party claims, suits, or demands. If Franchisor and/or RRTC undertake the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor and/or RRTC, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor and/or RRTC agrees to reimburse Franchisee for its out-of-pocket litigation costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees, and Franchisor and/or RRTC shall bear the costs of any judgment or settlement. To the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisee shall reimburse Franchisor and/or RRTC for the cost of such litigation (or, upon Franchisor or RRTC's written request, pay Franchisor or RRTC's legal fees directly), including without limitation attorney's fees, as well as the cost of any judgment or settlement.

6.3 Franchisee Acknowledgements. Franchisee expressly understands and acknowledges that:

6.3.1 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.

6.3.2 Neither Franchisee nor any principal of Franchisee shall directly or indirectly contest the validity of RRTC's ownership of, or Franchisor's right to use and license others to use, the Proprietary Marks, nor shall Franchisee, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with Franchisor's express prior written consent.

6.3.3 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

6.3.4 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's and RRTC's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

6.3.5 The right and license of the Proprietary Marks granted hereunder to Franchisee is non-exclusive, and Franchisor and RRTC thus have and retain the rights, among others:

6.3.5.1 To use the Proprietary Marks in connection with selling products and services;

6.3.5.2 To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees;

6.3.5.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

6.3.6 Franchisor reserves the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder if the Proprietary Marks no longer can be used, or if Franchisor, exercising its right to do so, determines that substitution of different proprietary marks will be beneficial to the System. In such circumstances, Franchisee shall implement at Franchisee's expense such substituted proprietary marks in such ways as Franchisor may direct, and the use of the substituted proprietary marks shall be governed by the terms of this Agreement.

7. CONFIDENTIAL OPERATING MANUALS

7.1 Manuals. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manuals, which Franchisee acknowledges having received access to from Franchisor for the term of this Agreement. The Manuals may consist of multiple volumes of printed text, video and/or audio tapes and files, computer disks, and other electronically stored data, and Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including without limitation, through the Internet.

7.2 Confidentiality of the Manuals. Franchisee shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained therein, as confidential, and shall use best efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.3 Protection of the Manuals. The Manuals shall at all times remain the sole property of Franchisor and shall at all times be kept in a secure place on the Restaurant premises. Franchisee shall ensure that the Manuals are kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's home office shall be controlling.

7.4 Revisions to the Manuals. Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its copy of the Manuals and to comply with each new or changed standard.

8. CONFIDENTIAL INFORMATION

8.1 Confidential Information. Franchisee understands and agrees that he/she will come into possession of certain of Franchisor's trade secrets concerning the manner in which it conducts business including, but not necessarily limited to: recipes and formulas; methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; software; and Franchisor's materials clearly marked or labeled as trade secrets. Franchisee agrees that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Franchisor. Franchisee agrees that Franchisor derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. Franchisee agrees to take reasonable measures to keep such information secret. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation such trade secrets, or any other confidential information, knowledge, or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge trade secrets and/or other confidential information, knowledge, or know-how only to such of its employees as must have access to it in order to operate the Restaurant. Any and all trade secrets, or other confidential information, knowledge, or know-how which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any trade secrets, or any other confidential information, knowledge, or know-how regarding the Restaurant shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on a form provided by Franchisor, which form shall, among other things, designate Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

8.2 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 8 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 8.

8.3 Information Exchange. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates,

owners or employees during the term of this Agreement relating to the development and/or operation of the Restaurants. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in all food service businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

9. ACCOUNTING AND RECORDS

9.1 Records. With respect to the operation and financial condition of the Restaurant, Franchisee shall adopt, until otherwise specified by Franchisor, a fiscal year consisting of not less than twelve (12) accounting periods of four or five weeks each, which coincides with Franchisor's then-current fiscal year, as specified by Franchisor. Franchisee shall maintain for a period of not less than five (5) years during the term of this Agreement, and, for not less than five (5) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

9.2 Periodic Reports and Reporting Requirements. Franchisee shall, at its expense, provide to Franchisor, any such forms, charts of accounts and other reports as Franchisor may specify, in such format as Franchisor may specify, from time to time. This financial information shall be prepared according to generally accepted accounting principles by a qualified accountant. Franchisor's current policy requires that Franchisee submit the following periodic reports according to the following schedule:

9.2.1 Within thirty (30) days of the end of each calendar month, Franchisee must submit the following to Franchisor:

9.2.1.1 a sales tax return for the month;

9.2.1.2 comparative monthly balance sheets presenting current month-end balances and comparing such balances to those of the same month in the previous fiscal year with variances noted (dollars and percentage);

9.2.1.3 comparative monthly profit and loss ("P&L") statements presenting the current month's results and comparing such results to those of the same month in the previous fiscal year with variances noted (dollars and percentage); and

9.2.1.4 comparative year-to-date P&L statements presenting current year-to-date results and comparing such results to those of the same year-to-date period in the previous fiscal year with variances noted (dollars and percentage).

The comparative P&L statements will be presented in a comprehensive format specified and provided by Franchisor and will, at a minimum, provide the percentage of Gross Sales for all categories.

9.2.2 Within forty-five (45) days of the most recent fiscal year end, Franchisee must submit the following to Franchisor:

9.2.2.1 a comparative fiscal year P&L statement, containing all year-end adjustments and presenting current fiscal year results and comparing such results to those of the previous fiscal year with variances and percentage of Gross Sales noted for all categories; and

9.2.2.2 comparative fiscal year balances sheets presenting balances as of the end of the current fiscal year and those of the previous fiscal year with variances noted.

Franchisor reserves the right to modify Franchisor's requirements described in this Section 9.2 from time to time. Reports of the above income and expense items of the Restaurant, which Franchisor specifies from time to time for use in any revenue, earnings, and/or cost summary it chooses to furnish to prospective franchisees, provided that Franchisor will not identify to prospective franchisees any specific financial results of the Restaurant; and state sales tax returns.

9.3 Other Reporting Requirements. Franchisee shall also submit to Franchisor in addition to the Sales Reports required pursuant to Section 4.2, for review or auditing, such other forms, reports, records, information, and data as and when Franchisor may reasonably designate, in the form and format, and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manuals or otherwise in writing, including, without limitation, via computer diskette, or otherwise in electronic format, and/or restated in accordance with Franchisor's financial reporting periods, consistent with Franchisor's then current financial reporting periods and accounting practices and standards. Franchisee shall prepare monthly profit and loss statements for each Month during the term of this Agreement, and, upon Franchisor's request, shall make such monthly profit and loss statements available to Franchisor. The reporting requirements of this Section 9.3 shall be in addition to, and not in lieu of, the electronic reporting required under Section 1.4 and Section 5.20 above.

9.4 Audit. Franchisor or its designated agents shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at Franchisor's expense, all books, records, and sales and income tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection is necessitated because Franchisee fails to timely provide Sales Reports or if an inspection discloses an understatement in any report by Franchisee of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

9.5 Data. All data provided by Franchisee in any form, and whether required by this Section 9 or any other requirement under the System or in the Manuals, including data uploaded to Franchisor's computer system from the Franchisee's Technology System, and/or downloaded from the Franchisee's computer system to Franchisor's Technology System, is and will be owned exclusively by Franchisor, including without limitation, Customer Data (described in Section 5.21 above), customer lists and e-mail lists, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the business franchised under this Agreement. Franchisor may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System, preparing franchise disclosure documents, and providing information to prospective franchisees, and/or in complying with government regulations.

10. MARKETING AND ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of marketing and advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

10.1 Marketing Contribution. For each Month during the term of this Agreement, Franchisee shall contribute to Franchisor's system-wide marketing fund (the "**Marketing Fund**") an amount, in the aggregate, up to three percent (3%) of the Gross Sales of the Restaurant during the preceding Month (the "**Marketing Contribution**"). The Marketing Contribution shall be paid by Franchisee in the manner required under Section 4.3 above (or as otherwise provided in this Section 10).

10.2 Marketing Fund. The Marketing Fund shall be maintained and administered by Franchisor or its designee, as follows:

10.2.1 Franchisor or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including without limitation, the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of the System; and that Franchisor and its designee are not obligated, in administering the Marketing Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

10.2.2 The Marketing Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this Section 10.2) to meet any and all

costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Franchisor believes will enhance the image of the System, including, without limitation, the costs of: preparing and conducting media advertising campaigns, direct mail advertising, marketing surveys and other public relations activities; developing marketing and promotional strategies; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; designing menu boards, point-of-purchase (POP) materials, including design and photographs; conducting and administering visual merchandising, POS, and other merchandising programs, such as social, digital, online, delivery and mobile marketing strategies and tactics; providing promotional and other marketing materials and services to the Restaurants operated under the System; product development and testing; and the salaries of Franchisor's employees in conjunction with System marketing activities. The Marketing Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Franchisor, which products, services, or improvements Franchisor shall have the right to determine will promote general public awareness and favorable support for the System.

10.2.3 Franchisee shall contribute to the Marketing Fund in the manner specified in Section 4.3 above. All sums paid by Franchisee to the Marketing Fund shall be maintained in an account separate from Franchisor's other monies. Franchisor shall have the right to charge the Marketing Fund for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the direction and implementation of the Marketing Fund and advertising programs for franchisees and the System, including, without limitation, costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs. The Marketing Fund and its earnings shall not otherwise inure to the benefit of Franchisor. Franchisor or its designee shall maintain separate bookkeeping accounts for the Marketing Fund. Franchisor may spend in any fiscal year an amount greater or less than franchisees' aggregate contributions to the Marketing Fund in that year, and Franchisor may spend Marketing Fund contributions from one year in subsequent years.

10.2.4 The Marketing Fund is not and shall not be an asset of Franchisor, nor a trust, and Franchisor does not assume any fiduciary obligation to Franchisee for maintaining, directing or administering the Marketing Fund or for any other reason. A statement of the operations of the Marketing Fund shall be provided to Franchisee by April 15 of the year after the close of Franchisor's fiscal year.

10.2.5 Although the Marketing Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate the Marketing Fund. The Marketing Fund shall not be terminated, however, until all monies in the Marketing Fund have been expended for advertising and/or promotional purposes.

10.3 Cooperative. Franchisor shall have the sole and absolute right to designate any geographical area for purposes of establishing a regional marketing and advertising cooperative ("**Cooperative**"), and Franchisee agrees to take appropriate steps to establish and participate, including making the required contributions, in such Cooperative if required to do so by

Franchisor. If a Cooperative for the geographic area or market in which the Restaurant is located has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately be bound by the obligation to become a member of such Cooperative under the terms of the then-existing Cooperative agreement. If a Cooperative for the geographic area or market in which the Restaurant is located is established during the term of this Agreement, Franchisee shall immediately become a member of such Cooperative, and take all steps necessary to become such member. In no event shall Franchisee be required to be a member of more than one Cooperative as to the Restaurant. The following provisions shall apply to each such Cooperative:

10.3.1 Each Cooperative shall be organized and governed in a form and manner approved by Franchisor in writing, and shall commence operations on a date specified by Franchisor. Any disputes arising among or between Franchisee, other franchisees in the Cooperative, and/or the Cooperative, shall be resolved in accordance with the rules and procedures set forth in the Cooperative's governing documents.

10.3.2 Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs, and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in regional advertising and promotion.

10.3.3 No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor, pursuant to the procedures and terms as set forth in Section 10.7 hereof.

10.3.4 In addition to, but not in lieu of the Marketing Contribution, Franchisee may be required to contribute to the Cooperative. The specific amount of Franchisee's contribution to the Cooperative shall be determined solely by the Cooperative. As described below in Section 10.4, up to three percent (3%) of Franchisee's contribution to the Cooperative shall be considered local advertising and promotion. Franchisee shall submit to the Cooperative the amount required at such times as determined by the Cooperative, but no later than the tenth (10th) day of each calendar month for the preceding calendar month, together with such other statements or reports as may be required by Franchisor, or the Cooperative with Franchisor's prior written approval.

10.3.5 Franchisor, in its sole and absolute right, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, or from the requirement to pay all or a portion of the contribution (described in this Section 10.3.5) to the Cooperative upon written request of such franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption shall be final.

10.4 Local Advertising and Promotion. In addition to, but not in lieu of, the Marketing Contribution, Franchisee shall expend an amount that is equal to up to three percent (3%) of annual Gross Sales on local advertising and promotion; provided, however, if Franchisee belongs to and is required to contribute to a Cooperative, up to three percent (3%) of Franchisee's Cooperative contributions shall be considered local advertising and promotion, and shall be credited against Franchisee's obligation to expend monies on local advertising and promotion as set forth herein. All local advertising and promotion by Franchisee shall be in such media, and of such type and

format as Franchisor may approve; shall be conducted in a dignified manner; and, shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 10.7 below.

10.5 Costs of Local Advertising and Promotion. As used in this Agreement, the term "**local advertising and promotion**" shall consist only of the direct costs of purchasing and producing advertising materials (including, but not limited to, camera-ready advertising and point-of-sale materials), media (space or time), delivery marketing fees, and those direct out-of-pocket expenses related to costs of advertising and sales promotion spent by Franchisee in its local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying; however, the parties expressly agree that advertising and sales promotion shall not include costs or expenses incurred by or on behalf of Franchisee in connection with any of the following:

10.5.1 Salaries and expenses of any employees of Franchisee, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees, including discount coupons;

10.5.2 Charitable, political, or other contributions or donations;

10.5.3 The value of discounts provided to customers;

10.5.4 The cost of food items.

10.6 Promotional Materials. Franchisor shall make available to Franchisee from time to time, one (1) copy of (or prototypical) advertising plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, community relations programs, and similar advertising and promotional materials for use in local advertising and promotion. Franchisee shall reproduce such materials at its expense as necessary in order to conduct local advertising and promotion activities.

10.7 Approvals. For all proposed advertising, marketing, and promotional plans, Franchisee shall submit samples of such plans and materials to Franchisor (by means described in Section 19 below), for Franchisor's review and prior written approval (except with respect to prices to be charged by Franchisee). If written approval is not received by Franchisee from Franchisor within seven (7) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them. Franchisee acknowledges and agrees that any and all copyright in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

10.8 Grand Opening Marketing Program. In addition to and not in lieu of the Marketing Contribution and any expenditures for local advertising and promotion, Franchisee shall expend a minimum of Ten Thousand Dollars ($10,000) for grand opening marketing and promotional

programs in conjunction with the Restaurant's initial grand opening, pursuant to a grand opening marketing plan developed by Franchisor or developed by Franchisee and approved in writing by Franchisor (the "**Grand Opening Marketing Program**"). The Grand Opening Marketing Program shall be executed and completed within thirty (30) days after the Restaurant commences operation. Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a marketing plan and samples of all advertising and promotional material not prepared or previously approved by Franchisor. For the purpose of this Agreement, the Grand Opening Marketing Program shall be considered local advertising and promotion, as provided under Section 10.4 above. Franchisor reserves the right to require Franchisee to deposit with Franchisor the funds required under this Section 10.8 to distribute as may be necessary to conduct the Grand Opening Marketing Program.

10.9 Minimum Requirements Only. Franchisee understands and acknowledges that the required contributions and expenditures are minimum requirements only, and that Franchisee may, and is encouraged by Franchisor to, expend additional funds for local advertising and promotion of a local nature which will focus on disseminating advertising directly related to Franchisee's Restaurant.

10.10 Promotional Programs. Franchisee acknowledges that periodic rebates, giveaways and other promotions and programs are an integral part of the System. Accordingly, Franchisee, at its sole cost and expense, from time to time shall issue and offer such rebates, giveaways and promotions in accordance with any reasonable advertising programs established by Franchisor, and further shall honor rebates, giveaways and other promotions, issued by other franchisees and approved by Franchisor, as long as all of the above do not contravene regulations and laws of appropriate governmental authorities.

10.11 Limitations on Association of the Proprietary Marks. Franchisee acknowledges and agrees that certain associations between Franchisee and/or the Restaurant, and/or the Proprietary Marks and/or the System, and/or businesses operating under or products sold under the Proprietary Marks or the Roy Rogers brand names on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, the reputation of Franchisor, the System, the Roy Rogers brand, or the good will associated with the Proprietary Marks. Accordingly, Franchisor shall have the sole right at any time to prohibit or restrict Franchisee from engagement in any activities with, or from donating any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity, if in Franchisor's opinion such action is taken, or may be perceived by the public to be taken, in the name of, in connection or association with Franchisee, the Proprietary Marks, the Restaurant, the Franchisor, or the System.

11. INSURANCE

11.1 Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Term of this Agreement), at Franchisee's

expense, the following insurance policy or policies in connection with the Restaurant or other facilities on premises, or by reason of the construction, operation, or occupancy of the Restaurant or other facilities on premises. Such policy or policies shall be written by an insurance company or companies approved by Franchisor, and licensed to do business in the state in which the Restaurant is located, and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Manuals or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

11.1.1 Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate.

11.1.2 Business automobile liability insurance, including a combined single bodily injury and property damage coverage for all owned, non-owned, and hired vehicles, with limits of liability not less than One Million Dollars ($1,000,000) per occurrence for both bodily injury and property damage.

11.1.3 Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least One Million Dollars ($1,000,000), as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Restaurant is located. All of Franchisee's employees shall be covered by Franchisee's workers' compensation insurance policies prior to attending any training programs.

11.1.4 Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than Five Million Dollars ($5,000,000) total limit of liability.

11.1.5 Property insurance providing coverage for direct physical loss or damage to real and personal property for all-risk perils, including the perils of flood and earthquake.

11.1.6 To the extent not covered in the policy or policies obtained pursuant to Section 11.1.1 above, products liability insurance in an amount not less than One Million Dollars ($1,000,000), which policy shall be considered primary.

11.1.7 Employment Practices Liability written on either an occurrence form or claims made basis with a limit of not less than Two Million Dollars ($2,000,000) per occurrence/claim and a retention limit of Ten Thousand Dollars ($10,000) or less. If written on a claims made basis, upon cancellation a two (2) year reporting period must be provided or coverage for all prior acts.

11.1.8 Network & information security liability insurance coverage written with a minimum limit of Two Million Dollars ($2,000,000) per claim. Coverage must include both the theft of customer private information and the misuse of confidential customer information.

11.1.9 Any other insurance coverage that is required by federal, state, or municipal law.

11.2 Referenced in Manuals. All policies listed in Section 11.1 above (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manuals.

11.3 Policy Cancellation. Franchisee shall provide to Franchisor, in the manner described in Section 20 below, forty-five (45) days' advance written notice in the event of cancellation of any policy, and thirty (30) days' advance written notice in the event of material change, or non-renewal of any policy.

11.4 Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Restaurant during the term of this Agreement, Franchisee will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manuals, all written by insurance or bonding companies approved by Franchisor, having a rating as set forth in Section 11.1 above.

11.5 No Waiver of Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified 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 17.4 below.

11.6 Franchisor to be Additional Named Insured. All insurance policies shall list Franchisor and its affiliates, officers, directors, employees and agents as additional named insureds, and shall also contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under said policies on any loss occasioned to Franchisor or its servants, agents, or employees by reason of the negligence of Franchisee or its servants, agents, or employees.

11.7 Evidence of Insurance. At least thirty (30) 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 such policy, Franchisee shall deliver to Franchisor certificates of insurance, endorsements, insurance declarations and/or other documents requested by Franchisor (collectively "certificates"), evidencing the proper coverage with limits not less than those required hereunder. 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, cancellation, or non-renewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by Section 11.1 above shall name Franchisor, and each of its affiliates, directors, agents, and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such

certificates evidence coverage. In the event that Franchisee fails to obtain the required insurance or to provide evidence reasonably satisfactory to Franchisor of the insurance policies required by this Section 11, Franchisor shall obtain such required policies on Franchisee's behalf, and Franchisee agrees that it will promptly reimburse Franchisor for all costs related to obtaining such policies upon notice from Franchisor.

11.8 Proof of Insurance. In addition to its obligations under Section 11.7 above, on the first anniversary of the Effective Date, and on each subsequent anniversary thereof during the term of this Agreement and any renewal hereof, and prior to any employee's attendance at any training program, Franchisee shall provide Franchisor with proof of insurance evidencing the proper coverage with limits not less than those required hereunder, in such form as Franchisor may reasonably require.

11.9 Policy Limit Changes. Franchisor shall have the right, from time to time, to make such changes in minimum policy limits and endorsements as it may determine; provided, however, all changes shall apply, generally, to all franchisees of Franchisor who are similarly situated.

12. TRANSFER OF INTEREST

12.1 Franchisor Transfers. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity, and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

12.2 Principals. If Franchisee is a corporation, limited liability company, partnership, or limited liability partnership, each principal of Franchisee ("**Principal**"), and the interest of each Principal in Franchisee, is identified in Exhibit C hereto. Franchisee represents and warrants that its owners are as set forth on Exhibit C attached to this Agreement, and covenants that it will not permit the identity of such owners, or their respective interests in Franchisee, to change without complying with this Agreement. Franchisor shall have the right to designate any person or entity which owns a direct or indirect interest in Franchisee as a Principal, and Exhibit C shall be so amended automatically upon notice thereof to Franchisee. Throughout the term of this Agreement, Franchisor shall have a continuing right to designate as a Principal any person or entity that owns a direct or indirect interest in Franchisee.

12.3 Franchisee Transfers. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

12.3.1 Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) this Agreement or any of the rights and obligations of Franchisee under this Agreement; (b) any material asset of Franchisee or the Restaurant; or (c) any ownership interest in Franchisee; provided, however, that Franchisee may grant a security interest in, or otherwise encumber certain assets of the Restaurant, excluding the Franchise Agreement, in connection with Franchisee obtaining financing for the development and/or operation of the

Restaurant or equipment leasing, if such financing satisfies the requirements of Franchisor, which may include, without limitation, execution of agreements by Franchisor, Franchisee, and/or such Principal, and any secured creditor of Franchisee, in a form satisfactory to Franchisor, acknowledging such creditor's obligations to be bound by the terms of this Section 12.

12.3.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by Franchisor.

12.3.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal of Franchisee.

12.3.4 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of the Principal in Franchisee as shown in Exhibit C.

12.4 Conditions for Approval. Franchisor shall not unreasonably withhold any consent required by Section 12.3 above; provided, that if Franchisee proposes to transfer its obligations hereunder or any material asset, or if Franchisee or any Principal proposes to transfer any direct or indirect interest in Franchisee, Franchisor shall have the right to require any or all of the following as conditions of its approval:

12.4.1 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective past and present directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Franchisee and Franchisor or its affiliates, and federal, state, and local laws and rules.

12.4.2 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee; and, if the obligations of Franchisee were guaranteed by the transferor, the Principal shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor.

12.4.3 After the transfer, Franchisee's new Principals shall meet Franchisor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Restaurant, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Restaurant.

12.4.4 If a proposed transfer would result in a change in control of Franchisee, at Franchisor's option, Franchisee (or transferee) shall execute, for a term ending on the expiration date of this Agreement the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty and advertising fee, and a different or modified Territory.

12.4.5 If a proposed transfer would result in a change in control of Franchisee, and if so requested by Franchisor, Franchisee, at its expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of new Roy Rogers Restaurants then-being established in the System, and shall complete the upgrading and other requirements set forth in Section 5.10 above within the time specified by Franchisor.

12.4.6 All monetary obligations of Franchisee hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of its obligations hereunder including, without limitation, its reporting obligations.

12.4.7 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Restaurant that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

12.4.8 At Franchisee's expense, one (1) Principal designated by Franchisor to be a new Principal Owner shall successfully complete (to Franchisor's satisfaction) all training programs required by Franchisor upon such terms and conditions as Franchisor may reasonably require (and while Franchisor will not charge a fee for attendance at such training programs, the transferee shall be responsible for the salary and all expenses of the person who attends training).

12.4.9 If a proposed transfer would result in a change in control of Franchisee, and to compensate Franchisor for Franchisor's legal, accounting, training, and other expenses incurred in connection with the transfer, Franchisee shall pay Franchisor a transfer fee in the amount of one-half (½) the then-current Initial Franchise Fee for new franchisees under the System at the time of the transfer. One-half (½) of the transfer fee shall be paid at the time Franchisee submits its request to Franchisor for consideration of the proposed transfer, and such amount shall be non-refundable. The balance of the transfer fee shall be paid at the time the transfer is consummated or closes. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by Franchisor, Franchisee or the proposed transferee shall reimburse Franchisor for all of its costs and expenses incurred in connection with its evaluation of the proposed transfer, including, without limitation, attorneys' and accountants' fees, costs, and expenses (and interest on such fees, costs, and expenses); background checks; site evaluation; and training, if applicable, to the extent the portion of the transfer fee paid when the transfer approval request was made does not cover those costs and expenses.

12.4.10 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Sections 15.2 and 15.3 below.

12.4.11 Any purchase and sale agreement between the transferor and transferee shall provide for and require that the Restaurant shall continue to operate without interruption during the transfer.

12.4.12 Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 12, and may do so in the Manuals or otherwise in writing. Franchisor may, but is not obligated to, provide additional details regarding the transfer conditions required for Franchisor's consent.

12.5 Right of First Refusal.

12.5.1 If Franchisee or any Principal desires to accept any *bona fide* offer from a third party to purchase 100% of the ownership interests in Franchisee or any material assets of Franchisee, including the property or the lease of the building, Franchisee or such Principal shall promptly notify Franchisor of such offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days' after receipt of all such information, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days' from the date of notice to the seller of the election to purchase by Franchisor.

12.5.2 Any material change in the terms of the offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 12.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12, with respect to a proposed transfer.

12.5.3 In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Franchisee. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 12.5, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

12.6 Transfer Upon Death. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party

approved by Franchisor within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer the deceased's interest to a third party approved by Franchisor within twelve (12) months after the deceased's death.

12.7 Transfer Upon Permanent Disability. Upon the permanent disability of any Principal with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 12 within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 12.7 as of the date of refusal. Franchisor shall pay the cost of the required examination.

12.8 Notification Upon Death or Permanent Disability. Upon the death or permanent disability any Principal of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as any *inter vivos* transfer. Upon the death or permanent disability of Franchisee or the Principal Owner, Franchisor shall have the sole and absolute right to immediately enter the premises of the Restaurant and operate the Restaurant until such time as Franchisor determines is necessary. In such case, Franchisee shall pay to Franchisor a reasonable management fee, which fee shall be set forth in the Manuals, to compensate Franchisor for its costs and expenses in connection with the operation of the Restaurant pursuant to this Section 12.8.

12.9 No Waiver of Claims. Franchisor's consent to a transfer which is the subject of this Section 12 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

12.10 Insolvency. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of Franchisee, Franchisee's obligations and/or rights hereunder, any material assets of Franchisee, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this Section 12, including without limitation the terms of Sections 12.3, 12.4, and 12.5 above.

12.11 Securities Offerings. All materials for an offering of stock or partnership interests in Franchisee or any affiliate of Franchisee which are required by federal or state law shall be submitted to Franchisor for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to

Franchisor for such review prior to their use. No offering by Franchisee or any affiliate of Franchisee shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the securities of Franchisee or Franchisee's affiliates; and Franchisor's review of any offering shall be limited solely to the relationship between Franchisor and Franchisee and any subsidiaries and affiliates, if applicable. Franchisor may, at its option, require the offering materials to contain a written statement prescribed by Franchisor concerning the limitations stated in the preceding sentence. Franchisee (and the offeror if not Franchisee), the Principals, and all other participants in the offering must fully indemnify Franchisor, its subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering. For each proposed offering, Franchisee shall pay Franchisor a non-refundable fee of Five Thousand Dollars ($5,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Franchisee shall give Franchisor written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 12.11 commences. Any such offering shall be subject to all of the other provisions of this Section 12, including without limitation the terms set forth in Sections 12.3, 12.4, 12.5; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Franchisor's approval as to the structure and voting control of the offeror (and Franchisee, if Franchisee is not the offeror) after the financing is completed.

12.12 Transfers to Entities for the Convenience of Ownership. If Franchisee desires to transfers all of its interest in this Agreement, or if all of the Principals of Franchisee desire to transfer all of their ownership interests in Franchisee, to a corporation, limited liability company, or other entity, solely for the convenience of ownership and/or for tax or estate planning reasons, Franchisor shall not unreasonably withhold its consent to such transfer, and Franchisor shall not require that Franchisee comply with the provisions and conditions of Section 12.4 or Section 12.5, if Franchisee complies with all of the following conditions:

12.12.1 Franchisee shall provide written notice to Franchisor not less than thirty (30) days prior to the date of the proposed transfer, and shall provide Franchisor with such documents and information as Franchisor may request in support of Franchisee's request, which may include, among other things, entity formation and good standing certifications, evidence of insurance in the name of the new franchisee entity, and bank information for the new franchisee entity.

12.12.2 Franchisee and its Principal(s) shall own all of the outstanding equity interests in the new franchisee entity, and shall own the same percentage ownership interests in the new franchisee entity as they own in Franchisee, and if Franchisee is an individual, Franchisee shall own 100% of the outstanding voting equity interests in the new franchisee entity.

12.12.3 The Principal(s) of the new franchisee entity shall execute a Guaranty in the form attached as Exhibit B hereto.

12.12.4 Franchisee and its Principals shall comply with the provisions of Sections 12.4.1, 12.4.2, 12.4.6, 12.4.7, and 12.4.10 of this Agreement, and the new franchisee entity and its Principal(s) shall comply with Section 5.18 of this Agreement.

12.12.5 Franchisee and its Principal(s) shall execute such transfer documents, agreements and other materials as Franchisor may require.

13. DEFAULT AND TERMINATION

13.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of Franchisee's Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

13.2 Termination Upon Notice 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 hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written notice to Franchisee by Franchisor (in the manner set forth under Section 20 below), upon the occurrence of any of the following events:

13.2.1 If Franchisee fails to construct and open the Restaurant within the time limits as provided in Section 5.3 above, and within the requirements set forth in Section 5.4 above;

13.2.2 If Franchisee at any time ceases to operate or otherwise abandons the Restaurant for two (2) consecutive business days, or loses the right to possession of the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that if, through no fault of Franchisee, the premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days' thereafter, then Franchisee shall have thirty (30) days' after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the premises, which approval shall not be unreasonably withheld;

13.2.3 If Franchisee or any Principal 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 System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

13.2.4 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant;

13.2.5 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 12 above;

13.2.6 If Franchisee fails to comply with the covenants in Section 15.2 below or fails to timely obtain execution of the covenants required under Section 15.5 below;

13.2.7 If, contrary to the terms of Sections 7 or 8 above, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

13.2.8 If Franchisee knowingly maintains false books or records, or submits any false reports (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor;

13.2.9 If Franchisee commits three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice;

13.2.10 If, during any twelve (12) month period of this Agreement, three (3) checks are returned to Franchisee for payments to Franchisor as described in Section 4.3 above;

13.2.11 If Franchisee sells products not previously approved by Franchisor, or purchases any product from a supplier not previously approved by Franchisor;

13.2.12 If Franchisee engages in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice;

13.2.13 If Franchisee makes any unauthorized or improper use of the Proprietary Marks, or if Franchisee or a Principle of Franchisee fails to utilize the Proprietary Marks solely in the manner and for the purposes directed by Franchisor, or directly or indirectly contests the validity of Franchisor's ownership of the Proprietary Marks or its right to use and to license others to use the Proprietary Marks; and/or

13.2.14 If Franchisee or any Principal defaults under any other agreement with Franchisor or its affiliate.

13.2.15 If Franchisee is in default under the lease or sublease for the Restaurant premises and fails to cure the default within the time period specified in the lease or sublease, or if the lease or sublease is terminated, for any reason, or expires.

13.2.16 If Franchisee fails to pay any supplier or vendor when due, and fails to cure such default within the time period specified by the supplier or vendor, or in the applicable supply contract.

13.2.17 If Franchisee fails to pay any third party, including without limitation, a lender, seller or lessor of products, services or equipment, any amount due by Franchisee to such parties on any note, financing, obligation, or financial instrument when due, and such failure to pay the full amount owed is not cured after any notice required by the contract or under applicable law.

13.3 Termination with Opportunity to Cure. Except as otherwise provided in Sections 13.1 and 13.2 above, upon any other default by Franchisee of its obligations hereunder, Franchisor may terminate this Agreement only by giving written notice of termination (in the manner set forth under Section 20 below) setting forth the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor, all within the thirty (30) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

13.4 Franchisor's Right to Enter and Operate the Restaurant. Notwithstanding anything to the contrary contained in this Section 13, if Franchisee commits a default pursuant to Sections 13.2.2, 13.2.3 or 13.2.4 of this Agreement, Franchisor shall have the sole and absolute right to immediately enter the premises of the Restaurant and operate the Restaurant until such time as Franchisor determines is necessary. In such case, Franchisee shall pay to Franchisor a reasonable management fee, which fee shall be set forth in the Manuals, to compensate Franchisor for its costs and expenses in connection with the operation of the Restaurant pursuant to this Section 13.4.

13.5 Extended Notice of Termination. If any law applicable to this Section 13, or Section 2 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor or renewal franchise, than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

13.6 Assignment Upon Bankruptcy. If, for any reason, the Agreement is not terminated pursuant to this Section 13, and the 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 the Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such 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 such proposed assignee's offer to accept assignment of the 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 such 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 such proposed assignment and assumption, to accept an assignment of the 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 such assignee for the assignment of the Agreement.

13.7 Other Remedies. If Franchisor is entitled to terminate this Agreement in accordance with Sections 13.2 or 13.3 above, Franchisor shall have the right to undertake any one or more of the following actions instead of terminating this Agreement:

13.7.1 Franchisor may terminate or modify any rights that Franchisee may have with respect to "exclusivity" in the Territory, as granted under Section 1.2 above, effective ten (10) days after delivery of written notice thereof to Franchisee; and/or

13.7.2 Franchisor may modify, or eliminate completely, the Territory described in Section 1.3 above.

If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 13.7, such action shall be without prejudice to Franchisor's right to terminate this Agreement in accordance with Sections 13.2 or 13.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

13.8 Damages. If Franchisor is entitled to terminate this Agreement in accordance with Section 13.2 or 13.3 above, the parties agree that Franchisor shall be entitled to liquidated damages equal to three (3) times the Royalty Fee payments due from Franchisee during the twelve (12) full months prior to termination. A precise calculation of the full extent of damages that Franchisor will incur if this Agreement terminates because Franchisee defaults under Section 13.2 or 13.3 cannot be reasonably determined. Because the parties hereto agree that calculation of damages the defaults under Sections 13.2 and 13.3 will be difficult to measure and quantify, and the damages described in this Section 13.8 are a reasonable approximation of such damages, such damages are not a penalty.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

14.1 Cease Operations. Franchisee shall immediately cease to operate the Restaurant, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

14.2 Cease Use of Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the mark "Roy Rogers" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to

use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles that display the Proprietary Marks. Franchisee shall, at its sole expense, take such actions and do such things to give effect to this Section 14.2, and such other "de-identification" obligations set forth in this Section 14, in the Manuals, and in any post-termination or post-expiration instructions provided by Franchisor.

14.3 Cancellation of Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Roy Rogers", and all other Proprietary Marks, and/or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

14.4 Assign Lease, Modification of Premises. If Franchisor does not elect or is unable to exercise any option it may have to acquire the lease or sublease for the premises of the Restaurant, or otherwise acquire the right to occupy the premises, Franchisee shall make such modifications or alterations to the premises operated hereunder (including, without limitation, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Restaurants, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In addition, Franchisee shall cease use of, and if Franchisor requests shall transfer to Franchisor, all telephone numbers, customer "loyalty" lists, and any domain names, websites, social networking or social media sites or applications, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Restaurant, and shall promptly execute such documents or take such steps necessary to remove reference to the Restaurant from all trade or business telephone directories, including "yellow" and "white" pages, or at Franchisor's request transfer same to Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section 14.4, Franchisor (or its designee) shall have the right to enter upon the premises of the Restaurant, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

14.5 No Confusion. Franchisee agrees, if it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with Franchisor, the System, or the Proprietary Marks.

14.6 Pay Monies Owed. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates (regardless whether those obligations arise under this Agreement or otherwise). In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) incurred by Franchisor as a result of the default.

14.7 Damages and Costs. Franchisee shall pay Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) incurred by Franchisor subsequent to the termination or expiration of this Agreement in seeking to enforce any provision of this Section 14, including seeking to enforce the termination of the Franchise Agreement.

14.8 Return of Manuals. Franchisee shall immediately deliver to Franchisor the Manuals and all other manuals, records, and instructions containing confidential information (including without limitation any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

14.9 Option to Purchase Furnishings and Equipment. Franchisor shall have the option, to be exercised within thirty (30) days after termination or default under Franchisee's lease for the Approved Location, to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Restaurant, at the lesser of Franchisee's cost or fair market value. The cost shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee.

14.10 Right to Enter and Operate. In order to preserve the goodwill of the System following termination, Franchisor (or its designee) shall have the right to enter the Restaurant (without liability to Franchisee, Franchisee's Principals, or otherwise) for the purpose continuing the Restaurant's operation and maintaining the goodwill of the business.

15. COVENANTS

15.1 Full Time and Best Efforts. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or one (1) of the Highly Trained Personnel who will assume primary responsibility for the franchise operations and shall have been previously approved in writing by Franchisor) shall devote full time, energy, and best efforts to the management and operation of the Restaurant.

15.2 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person (including, but not limited to, a spouse, a parent, or a child), persons, partnership, corporation, or entity:

15.2.1 Divert or attempt to divert any business or customer of the Restaurant or of any Restaurant using the System 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 Franchisor's Proprietary Marks and the System.

15.2.2 Own, maintain, operate, engage in, or have any interest in any restaurant business which is located at the Approved Location and which business is, or is intended to be, the same as or similar to the Restaurant. "Same or similar," for the purpose of this Section 15.2.3 and Section 15.3 shall include, among other things, the offer and sale of the same or similar products.

15.3 Post-Term Non-Competition. Franchisee covenants that, except as otherwise approved in writing by Franchisor, it shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 15.3; either directly or indirectly (through, on behalf of, or in conjunction with any persons (including, but not limited to, a spouse, a parent, or a child), partnership, corporation or entity), own, maintain, operate, provide any assistance to, engage in, receive any financial benefit from, or have any interest in any restaurant business which is located at the Approved Location and which business is, or is intended to be, the same as or similar to the Restaurant. Franchisee agrees that the length of time in this Section 15.3 will be tolled for any period during which Franchisee is in breach of the covenants set forth in this Section 15.3 or any other period during which Franchisor seeks to enforce this Agreement.

15.4 Publicly-Held Corporations. Section 15.3 above shall not apply to ownership by Franchisee of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term "publicly-held corporation" shall be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

15.5 Individual Covenants. Franchisee shall require and obtain execution of covenants similar to those set forth in Sections 6.3.3, 8, 12, 14, and this Section 15 (as modified to apply to an individual) from all of Franchisee's Principals and Highly Trained Personnel. The covenants required by this Section 15.5 shall be in the form provided in Exhibit G to this Agreement. Failure by Franchisee to obtain execution of a covenant required by this Section 15.5 shall constitute a default under Section 13.2.6 above.

15.6 Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 15.

15.7 Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right to reduce the scope of any covenant set forth in Sections 15.2 and 15.3 in this

Agreement, 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 notwithstanding the provisions of Section 22 below.

15.8 Enforcement of Claims. Franchisee expressly agrees that the existence of any claims it 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 Section 15. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by Franchisor in connection with the enforcement of this Section 15.

15.9 Irreparable Injury. Franchisee acknowledges that Franchisee's violation of the terms of this Section 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 15.

16. TAXES, PERMITS, AND INDEBTEDNESS

16.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the business franchised under this Agreement. If Franchisee is required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to Franchisor, then, to the extent that Franchisor is not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by Franchisee shall be increased by such amount as is necessary to make the actual amount received (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that Franchisor would have received had no tax payment been required, provided that such shortfall is not caused by Franchisor's negligence in filing the claims, or for reasons that can be solely attributable to Franchisor.

16.2 Tax Disputes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant, or any improvements thereon.

16.3 Compliance With Laws. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, licenses to do business, health certificates, food handler's permits, fictitious name registrations, labor and employment laws, sales tax permits, and fire clearances. To the extent that the requirements of said laws are in conflict with the terms of this Agreement, the Manuals, or other instructions of Franchisor, Franchisee shall: (a) comply with said laws; and (b) immediately provide written notice describing the nature of such conflict to Franchisor.

16.4 Notification of Claims. Franchisee shall notify Franchisor in writing within five (5) days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within five (5) days occurrence of any accident or injury which may adversely affect the operation of the Restaurant or the financial condition of Franchisee, or give rise to liability or a claim against Franchisee or Franchisor.

17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1 Independent Contractors. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee further acknowledges and agrees that Franchisor is not, and nothing in this Agreement or the Manuals is intended to make Franchisor, the employer or joint employer of Franchisee's employees.

17.2 Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public and to its employees as an independent contractor operating the business pursuant to a franchise from Franchisor.

17.3 No Agency. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the Restaurant or for any claim or judgment arising therefrom against Franchisee or Franchisor.

17.4 Indemnification. Franchisee shall, to the fullest extent permissible under applicable law, indemnify and hold Franchisor and its affiliates, and their respective officers, directors, employees, and agents harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Restaurant (including, without limitation, operation of any other sales/distribution opportunities); this Agreement and the business conducted under this Agreement; the relationship between Franchisor and Franchisee; the actions or inaction of Franchisee or Franchisee's employees (including any actions or inaction that occurred prior to the effective date of this Agreement); Franchisee's and its owners actions or inactions in connection with its evaluation and investigation of this franchise business opportunity, the negotiations with Franchisor, and the submission of the franchise application and any other reports or information to Franchisor; Franchisee's failure to comply with applicable laws; or Franchisee's breach of this Agreement, including, without limitation, those alleged to be caused by Franchisor's negligence or brought by Franchisee. Franchisee must also defend Franchisor and its affiliates, and their respective officers, directors, employees, and agents, against all Claims, provided that Franchisor or its affiliates, and their respective officers, directors, employees, and agents may use their own counsel and may control the investigation and defense of such claims, but at Franchisee's cost and expense. Franchisee's

obligations under this section do not apply if (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction including, but not limited to, claims brought by the Franchisee. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification, defense, and hold harmless obligations under this Section 17.4 shall survive the termination or expiration of this Agreement.

18. FORCE MAJEURE

18.1 Force Majeure. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, and/or other casualties; and/or (d) the inability of Franchisor and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Restaurant.

18.2 Remitting Funds. The inability of either party to obtain and/or remit funds shall be considered within control of such party for the purpose of Section 18.1 above. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that Franchisee shall remain obligated to promptly pay all fees owing and due to Franchisor hereunder, without any such delay or extension.

19. APPROVALS AND WAIVERS

19.1 Approvals. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

19.2 No Warranties. Franchisee acknowledges and agrees that Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

19.3 Waivers. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or any other franchisee under any of the terms, provisions, covenants, or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to subsequent breach or default by Franchisee. Subsequent acceptance by

Franchisor of any payments or partial payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

20. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent via a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or sent by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses (which shall not include only a P.O. Box) shown on Exhibit A of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

21. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in Franchisor's Franchise Disclosure Document that Franchisor provided to you), relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business. However, and notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

22. SEVERABILITY AND CONSTRUCTION

22.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any arbitration proceeding, such findings shall not invalidate the remainder of the agreement unless in the reasonable opinion of Franchisor the effect of such determination has the effect of frustrating

the purpose of this Agreement, whereupon Franchisor shall have the right by notice in writing to the other party to immediately terminate this Agreement.

22.2 No Other Rights. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Section 12 above, any rights or remedies under or by reason of this Agreement.

22.3 Enforceability of Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

22.4 Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.5 Survival of Provisions. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

23. APPLICABLE LAW AND DISPUTE RESOLUTION

23.1 Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor, and, subject to Franchisor's rights under federal trademark laws, all claims arising out of or relating to this Agreement and/or the parties' relationship will be governed by, and will be interpreted in accordance with the procedural and substantive laws of the State of Maryland without regard to its conflict of laws principles; provided, however, that if the covenants in Section 15 of this Agreement would not be enforceable under the laws of Maryland, and the Restaurant is located outside of Maryland, then such covenants shall be interpreted and construed under the laws of the state in which the Restaurant is located. Nothing in this Section 23.1 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or similar law, rule, or regulation of the State of Maryland to which this Agreement would not otherwise be subject. Further, the parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

23.2 Venue. Subject to Section 23.3 below, the parties agree that all claims brought by Franchisee against Franchisor in any court, whether federal or state, must be brought exclusively within such state and in the judicial district in which Franchisor has its principal place of business at the time the action is commenced. Any action brought by Franchisor against Franchisee in any

court, whether federal or state, may be brought within the state and judicial district in which Franchisor or Franchisee has its principal place of business at the time the action is commenced. The parties agree that this Section 23.2 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Franchisee and its Principals hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. **Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Franchisee waives any and all rights to proceed on a consolidated, common, or class basis. Franchisee acknowledges and agrees that this Section shall survive the termination or expiration of this Agreement.**

23.3 Mediation. Before any party may bring an action in court against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the International Institute for Conflict Prevention & Resolution (CPR), under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding anything to the contrary, this Section 23.3 shall not bar either party from from obtaining judicial or injunctive relief for claims that are based solely on demands for money owed, or obtaining injunctive relief against threatened conduct that will cause it harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation.

23.3.1 The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation (the "**complainant**") providing written notice of the request for mediation (the "**request**") to the party with whom mediation is sought (the "**respondent**"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to Franchisor if Franchisor is not a complainant or respondent.

23.3.2 Non-binding mediation commenced hereunder shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

23.4 No Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

23.5 Injunctive Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

23.6 **Waiver of Jury Trial. FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

23.7 **Limitation of Actions. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 23.7, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE RESTAURANT, INCLUDING ANY PROCEEDING, OR ANY CLAIM IN ANY PROCEEDING (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS SHALL BE IRREVOCABLY BARRED. CLAIMS OF FRANCHISOR ATTRIBUTABLE TO UNDERREPORTING OF SALES, CLAIMS UNDER THE PROVISIONS OF THIS AGREEMENT PERTAINING TO INSURANCE, AND CLAIMS FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS. "CLAIM" IN THIS SECTION 23.7 MEANS ANY ALLEGATION, CHALLENGE, DEMAND, CAUSE OF ACTION, LAWSUIT, ARBITRATION, DISPUTE, CONTROVERSY, INVESTIGATION OR ADMINISTRATIVE PROCEEDING.**

23.8 **Waiver of Damages. FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, AND ANY CLAIM TO LIQUIDATED DAMAGES UNDER SECTION 13.8.**

23.9 Costs and Attorneys' Fees. Except as otherwise provided in this Agreement, if either Franchisor or Franchisee seeks to enforce this Agreement, or brings any claims relating to the offering of this Franchise Agreement or the franchise relationship, in any judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

24. ACKNOWLEDGMENTS

24.1 Acknowledgements. Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, 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 Franchisee is a corporation or a partnership or other business organization, its owners as independent businesspersons. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received from Franchisor or any employee, representative or other party purporting to act on Franchisor's behalf, any warranty, representation, promise or guarantee, express or implied, as to the potential sales volume, profits, or success of the business venture contemplated by this Agreement.

24.2 Receipt of Documents. Franchisee acknowledges that it received a copy of this Agreement, the exhibit(s) hereto, and agreements relating hereto, if any, with all of the blank lines therein filled in, prior to the date on which this Agreement was executed, and with sufficient time within which to review the Agreement, with advisors of its choosing. Franchisee further acknowledges that it received the franchise disclosure document required by the Federal Trade Commission's Franchise Rule at least fourteen (14) days prior to the date on which this Agreement was executed.

24.3 Representations and Warranties. Franchisee and its Principals represent and warrant to Franchisor that: (a) neither Franchisee nor any of its Principals have made any untrue statement of any material fact nor omitted to state any material fact in its and their franchise application and other documents and information submitted to Franchisor, or in obtaining the rights granted herein; (b) neither Franchisee nor any of its Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a competitive business, except as otherwise completely and accurately disclosed in its franchise application materials; (c) Franchisee and its Principals have a legal right to own and operate the Restaurant, and the Principal or officer that executes this Franchise Agreement on behalf of Franchisee has all legal right and authority to execute on behalf of Franchisee and to legally and contractually bind Franchisee; and (d) neither Franchisee nor its Principals (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts available at www.treas.gov/offices/enforcement/ofac/); (iii) have violated or will violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the USA PATRIOT Act (text available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (text available at http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html), the Foreign Corrupt Practices Act, or any similar law. Franchisee recognizes that Franchisor approved Franchisee in reliance on all of the statements Franchisee and its Principals have made in connection therewith, and that Franchisee has a continuing obligation to advise Franchisor of any material changes in these statements and representations made to Franchisor in this Agreement or in the franchise application.

24.4 No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

24.5 No Other Representations. Franchisee acknowledges that it shall have sole and complete responsibility for the choice of the Approved Location; that Franchisor has not (and shall not be deemed to have (and shall not be deemed to have, even by Franchisor's approval of the site that is the Approved Location) given any representation, promise, or guarantee of Franchisee's success at the Approved Location; and that Franchisee shall be solely responsible for its own success at the Approved Location.

24.6 Modification of Offers. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

24.7 Business Judgment. Franchisee understands and agrees that Franchisor may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Franchisor has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including without limitation Franchisor's judgment of what is in the best interests of the franchise network, at the time Franchisor's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Franchisor; (2) Franchisor's decision or the action taken promotes Franchisor's financial or other individual interest; (3) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned or affiliate-owned operations; or (4) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

24.8 Consultation. Franchisee acknowledges that it has read and understood this Agreement, the exhibits hereto, and agreements relating thereto, 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.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in duplicate on the day and year first above written.

Roy Rogers Franchise Company, LLC Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT A

APPROVED LOCATION AND TERRITORY

1. The Approved Location is: _____
_____
_____.

2. The Territory is: _____
_____
_____.

3. The designated address for notices under Section 20 of the Agreement should be as follows:

Notices to Franchisor:	Notices to Franchisee:
Roy Rogers Franchise Company, LLC 4991 New Design Road, Suite 109 Frederick, Maryland 21703	_____ _____ _____
Telephone: (301) 695-5051 Fax: (____) _____	Telephone: _____ Fax: _____
Attn: President	Attn: _____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT B

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Roy Rogers Franchise Company ("**Franchisor**") to execute the Roy Rogers Franchise Agreement between Franchisor and _____ ("**Franchisee**"), dated _____, 20____ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the obligations and covenants contained in the Franchise Agreement, including Sections 6.3.3, 8, 12, 14, and 15 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Roy Rogers" marks or system licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Sections 22 and 23 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT C

LIST OF PRINCIPALS

Name of Principal	Address	Interest %

The Principal Owner will be: _____.

Agreed to by:

Franchisee: _____

_____

Name: _____

Date: _____

Principal Owner: _____

_____

Name: _____

Date: _____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT D

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

_____ (Name of Person or Legal Entity)

_____ (ID Number)

The undersigned depositor ("**Depositor**") ("**Franchisee**") hereby authorizes Roy Rogers Franchise Company ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

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

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

_____	_____
Depository:	Depository:
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT E-1

ADA CERTIFICATION FOR CONVERSION OR RENOVATION

(To be completed by Franchisee's architect, engineer, ADA consultant, or other licensed professional)

In connection with the proposed Roy Rogers located in _____, I hereby represent and certify to _____ and to Roy Rogers Franchise Company that:

I have used professionally reasonable efforts to ensure that the areas of the restaurant that were recently renovated, including the paths of travel to and from those areas, conform to and comply with the requirements of the Americans with Disabilities Act ("ADA"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect at the time that this certification is made; and

In my professional judgment, the areas of the restaurant that were recently renovated, and the paths of travel to and from those areas, do in fact conform to comply with such requirements.

By:_____

Print Name:_____

Firm:_____

Date:_____

(To be completed by Franchisee)

_____ acknowledges that Roy Roger Franchise Company LLC has relied on the information contained in this certification. Furthermore, _____ agrees to indemnify Roy Roger Franchise Company LLC and the officers, directors, and employees of Roy Roger Franchise Company LLC in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

By:_____

Print Name:_____

Firm:_____

Date:_____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT E-2

ADA CERTIFICATION FOR NEW CONSTRUCTION

(To be completed by Franchisee's architect, engineer, ADA consultant, or other licensed professional)

In connection with the proposed Roy Rogers located in _____, I hereby represent and certify to _____ and to Roy Rogers Franchise Company that:

I have used professionally reasonable efforts to ensure that the Restaurant and its adjacent areas that were newly constructed, including the paths of travel to and from those areas, conform to and comply with the requirements of the Americans with Disabilities Act ("ADA"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect at the time that this certification is made; and

In my professional judgment, the Restaurant and its adjacent areas that were constructed, and the paths of travel to and from those areas, do in fact conform to comply with such requirements.

By:_____

Print Name:_____

Firm:_____

Date:_____

(To be completed by Franchisee)

_____ acknowledges that Roy Roger Franchise Company LLC has relied on the information contained in this certification. Furthermore, _____ agrees to indemnify Roy Roger Franchise Company LLC and the officers, directors, and employees of Roy Roger Franchise Company LLC in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

By:_____

Print Name:_____

Firm:_____

Date:_____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT F

LEASE RIDER

THIS LEASE RIDER is made and entered into _____, 20___ BY AND AMONG _____ (the "**Landlord**"), _____ (the "**Tenant**"), and Roy Rogers Franchise Company, LLC, a Maryland limited liability company whose principal place of business is _____ ("**RRFC**").

RECITALS:

A. This Lease Rider supplements and forms part of the attached Lease Agreement between the Landlord and the Tenant dated _____ (the "**Lease**") for the premises situated at _____ (the "**Premises**") to be used by the Tenant as a Roy Rogers Restaurant.

B. This Lease Rider is entered into in connection with RRFC's approval of the location of the Premises as a Roy Rogers Restaurant and the grant of a franchise to the Tenant pursuant to a Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**").

C. This Lease Rider is intended to provide RRFC the opportunity to reserve the Premises as a Roy Rogers Restaurant under the circumstances set out below.

D. The Landlord agrees that RRFC shall have the right but not the obligation to assume the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

THE PARTIES HEREBY AGREE:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

1.1 The Landlord agrees to send to RRFC copies of any Notice of Default that are given to the Tenant concurrently with the giving of such Notices to the Tenant. If the Tenant fails to cure any defaults within the period specified within the Notices, the Landlord shall promptly give to RRFC further written Notice specifying the defaults that the Tenant has failed to cure. RRFC shall have forty-five (45) days following receipt of the second written Notice to exercise its right to enter a new Lease on the same terms as apply to this Deed of Lease by written notice to the Landlord and the Tenant and in the event that RRFC does exercise such right, then the circumstances described in clause 1.2 below shall apply.

1.2 The provisions of this clause 1.2 shall take effect if and when RRFC exercises its rights pursuant to clause 1.1 above. RRFC shall begin paying rent upon the Landlord delivering possession of the Premises to RRFC.

2. UPON TERMINATION OF THE FRANCHISE AGREEMENT

If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if RRFC shall desire to assume the Lease, RRFC shall promptly give the Landlord written notice to this effect.

3. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), the Landlord shall give RRFC written notice to this effect and RRFC shall have the option for thirty (30) days following receipt of such notice to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in this Lease. If RRFC elects to exercise such right(s) it shall notify the Landlord in writing whereupon the Landlord and RRFC shall promptly execute and exchange an agreement whereby RRFC assumes the Lease effective at the date of termination of any holding over period by the Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.

4. ADDITIONAL PROVISIONS

4.1 The Tenant agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if the Tenant fails to timely cure any defaults under the Lease the Tenant shall within ten (10) days after written demand by RRFC, assign all of its right, title and interest in and to the Lease to RRFC. If the Tenant fails to do so within the said ten (10) days, the Tenant hereby designates RRFC as its agent to execute any and all documents, agreements and to take all action as may be necessary or desirable to effect the assignment of the Lease and the relinquishment of any and all of the Tenant's rights thereunder. The Landlord hereby consents to such assignment subject to RRFC executing an assignment of the Lease. The Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at the written request of RRFC. Any property not so removed by the Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by the Tenant and immediately and permanently relinquished to RRFC. RRFC acknowledges that where RRFC enters into an assignment or sub-letting as referred to in clause 4.4 below it will attempt to procure, if the assignee is a company (other than a listed public company) a Deed of Guarantee in customary form approved or prepared by the landlord from the principal shareholders of the assignee company and (if required by the landlord) by the Directors of the assignee company.

4.2 The Tenant shall be and remain liable to the Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to RRFC. RRFC shall be entitled to recover from the Tenant all amounts it pays to the Landlord to cure the Tenant's defaults under the Lease including interest thereon and RRFC's reasonable collection costs.

4.3 After RRFC assumes the Tenant's interest under the Lease, RRFC may, at any time, sublet the Premises to a Roy Rogers franchisee without having to obtain the prior written consent of the Landlord.

4.4 After RRFC assumes the Tenant's interest under the Lease, RRFC may, at any time, assign or sublet its interest under the Lease but only with the prior written consent of the Landlord and the usual provisions of the Lease concerning consent shall apply. Upon receipt by the Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of the tenant to be performed under the Lease, RRFC shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by the Landlord.

4.5 If the Lease or Franchise Agreement is terminated and RRFC fails to exercise its option as described above, the Tenant agrees, upon written demand by RRFC to de-identify the Premises as a Roy Rogers Restaurant and to promptly remove signs, decor and other items which RRFC reasonably requests be removed as being distinctive and indicative of a Roy Rogers Restaurant. RRFC may enter upon the Premises without being guilty of trespass or tort to effect de-identification if the Tenant fails to do so within ten (10) days after receipt of written demand from RRFC, following termination of the Franchise Agreement or Lease. the Tenant shall pay RRFC for its reasonable costs and expenses in effecting the de-identification. The Landlord shall not be obligated to RRFC for such costs unless the Landlord and the Tenant share one (1) or more common owners, partners, beneficiaries or shareholders (as the case may be). The Tenant agrees and accepts that its obligations to the Landlord in respect to the provisions of the Lease concerning the removal of signage and additions and alterations at the termination of the Lease subsist notwithstanding the right made available to RRFC pursuant to this clause.

4.6 BY EXECUTING THIS LEASE RIDER TO THE LEASE, RRFC DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL RRFC EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED ABOVE.

4.7 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses described above or to such other address as any party to this Deed may, either by written notice, instruct that notices be given.

EXECUTED by the parties as follows:

SIGNED by _____)
as Landlord by its _____)
in the presence of:)

_____
(Name of Signatory)
Title: _____

SIGNED by _____)
as Tenant by its _____)
in the presence of:)

_____
(Name of Signatory)
Title: _____

SIGNED by _____by its)
duly authorized officer in the presence of:)

_____
(Name of Signatory)
Title: _____

ROY ROGERS
FRANCHISE AGREEMENT
EXHIBIT G

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _____, 20___, by and between _____ (the "**Franchisee**"), and _____, who is a Principal, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the "**Member**").

BACKGROUND:

A. Roy Rogers Franchise Company, LLC ("**RRFC**") owns a format and system (the "**System**") relating to the establishment and operation of quick service fast casual restaurant businesses operating in buildings that bear Franchisor's interior and exterior trade dress, under the "Roy Rogers" name and marks, which specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, special limited time offer menu items, and such additional products as Franchisor may designate from time to time for on-premises, "drive-thru" and carry-out consumption, and includes the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items (the "**Roy Rogers Restaurants**")

B. RRFC and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate one (1) Roy Rogers Restaurant (the "**Restaurant**") and to produce and distribute products and services approved by RRFC and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

C. The Member, by virtue of his or her position with Franchisee, will gain access to certain of RRFC's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee's operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which RRFC designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by RRFC; or which, at or after the time of disclosure by RRFC

to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

[Note to Franchisee: Section 2 of this Agreement, which includes a covenant not to compete, is optional. Roy Rogers Franchise Company, LLC ("Roy Rogers") does not require you to include this language, and it is noted here only for your convenience. Your decision to have your employees execute this Agreement with this Section 2 included, and for you to enforce it, is your decision alone. If you elect to include this Section 2, that decision does not suggest that Roy Rogers is an employer of your employees.]

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of RRFC and the System.

(b) Member covenants and agrees that during the term of Member's employment with, or ownership interest in, Franchisee, and except as otherwise approved in writing by RRFC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Restaurant or of any Restaurant using the System 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 RRFC's Proprietary Marks and the System;

(ii) Own, maintain, operate, engage in, or have any interest in any restaurant business which is located at the Approved Location and which business is, or is intended to be, the same as or similar to the Restaurant.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by RRFC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any restaurant business which is located at the Approved Location and which business is, or is intended to be, the same as or similar to the Restaurant.

(d) As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12 of the Franchise Agreement with respect to Member; and/or (b) termination of Member's employment with, and/or ownership interest in, Franchisee. Member agrees that the length of time in this Section 2(d) will be tolled for any period during which Member is in breach of the covenants set forth in this Section 2 or any other period during which Franchisee or RRFC seeks to enforce this Agreement

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause RRFC irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by RRFC in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect RRFC's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the RRFC or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that RRFC is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____, 20___.

FRANCHISEE	MEMBER
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit B

Preliminary Site Development Agreement

ROY ROGERS

PRELIMINARY SITE DEVELOPMENT AGREEMENT

THIS PRELIMINARY SITE DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into on this _____day of _____, 20___ (the "**Effective Date**"), by and between:

- Roy Rogers Franchise Company, LLC, a Maryland limited liability company whose principal place of business is 4991 New Design Road, Suite 109, Frederick, MD 21703 ("**Franchisor**"); and

- _____a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ ("**Prospective Franchisee**").

BACKGROUND:

A. Franchisor owns a format and system (the "**System**") relating to the establishment and operation of quick service restaurant businesses operating in buildings that bear Franchisor's interior and exterior trade dress, under the "Roy Rogers" name and marks, which currently specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, special limited time offer menu items, and such additional products as Franchisor may designate from time to time for on-premises, "drive-thru" and carry-out consumption, and may include the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items (the "**Roy Rogers Restaurants**");

B. Franchisor grants to qualified persons franchises to own and operate Roy Rogers Restaurants pursuant to the terms of a Roy Rogers franchise agreement (the "**Franchise Agreement**"); and

C. Prospective Franchisee desires to enter into a Franchise Agreement for the purpose of operating a Roy Rogers Restaurant under the System, and wishes to find and develop a location for that purpose.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. **Search Period**: Within six (6) months after the Effective Date hereof (the "**Search Period**"), Prospective Franchisee shall acquire or lease/sublease, at Prospective Franchisee's expense, commercial real estate that is properly zoned for use as a Roy Rogers Restaurant to be conducted by Prospective Franchisee under the Franchise Agreement (a "**Restaurant**") at a site accepted by Franchisor as hereinafter provided. Such location shall be within the following area:

_____

_____ (the "**Site Selection Area**"). The Site Selection Area is described solely for the purpose of selecting a site for the Restaurant. Franchisor shall not establish, nor franchise another to establish, a Roy Rogers Restaurant operating under the System within the Site Selection Area until Franchisor approves of a location for the Restaurant, or until the expiration of the Search Period, whichever event first occurs. Franchisor retains all other rights in the Site Selection Area, and may, among other things, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

(a) establish, and license others to establish, Roy Rogers Restaurants at any location outside of the Site Selection Area notwithstanding their proximity to the Site Selection Area;

(b) establish, and license others to establish, Roy Rogers Restaurants at any institutional or captive audience facilities, including, without limitation, military bases, public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or interstate travel plazas, parks, arenas and convention centers, stadiums, malls, museums, art centers, contract or institutional food service operators, in theaters, warehouse clubs, theme parks, amusement parks, truck stops, and/or casinos ("**Institutional Facilities**") within or outside the Site Selection Area;

(c) establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products or services that are the same as, similar to, or different from the products and services offered from Roy Rogers Restaurants, and which restaurants or stores may be located within or outside the Site Selection Area, notwithstanding such stores' proximity to the Site Selection Area; and

(d) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited, to sales made at retail locations, supermarkets, gourmet shops, mail order, and on the Internet), so long as such sales are not conducted from a Roy Rogers Restaurant operated from a location inside the Site Selection Area (excluding an Institutional Facility).

2. **Failure to Find a Site**: Failure by Prospective Franchisee to acquire or lease a site for the Restaurant within the Search Period shall constitute a default under this Agreement; and this Agreement shall immediately terminate with no further rights for Prospective Franchisee to the Site Selection Area.

3. **Site Selection Fee**: Prospective Franchisee shall pay Franchisor a site selection fee of Ten Thousand Dollars ($10,000) (the "**Site Selection Fee"**), which must be paid in full prior to or upon execution of this Agreement. The Site Selection Fee is fully earned by Franchisor when received. If Prospective Franchisee is successful in "finding" a site for the Restaurant (as evidenced by Prospective Franchisee acquiring or leasing/subleasing a site that is properly zoned for a Roy Rogers Restaurant) acceptable to Franchisor, and signs a Franchise Agreement with Franchisor, then the amount of the Site Selection Fee actually paid by Prospective Franchisee to Franchisor

shall be credited to Prospective Franchisee's requirement to pay an initial franchise fee under the Franchise Agreement. If this Agreement is terminated because Prospective Franchisee has failed to "find" an acceptable site during the Search Period, the Site Selection Fee will not be refunded to Prospective Franchisee. Payment of the Site Selection Fee shall be non-refundable in consideration of administrative and other expenses incurred by Franchisor in connection with providing Prospective Franchisee with site selection and development services, and for Franchisor's lost or deferred opportunity to offer franchises to others.

4. **Site Evaluation Services**: Franchisor shall furnish to Prospective Franchisee site selection guidelines, including Franchisor's minimum standards for a location for the Restaurant, and such site selection counseling and assistance as Franchisor may deem advisable. Franchisor shall perform any on-site evaluation as Franchisor may deem advisable in response to Prospective Franchisee's requests for site approval; provided, however, that Franchisor shall not be required to provide on-site evaluation for any proposed site.

5. **Site Selection Package Submission and Approval**: Prospective Franchisee shall submit to Franchisor, in the form specified by Franchisor, a complete site acceptance request package that includes, but is not limited to, (1) a copy of the site plan, (2) a copy of the floor plan, (3) proposed parking and elevations, (4) an option contract, letter of intent, or other evidence satisfactory to Franchisor which confirms Prospective Franchisee's favorable prospects for obtaining or controlling a site, (5) a document that identifies market competitors, retail conditions, and a summary of site characteristics and attributes, and (6) such other information or materials that Franchisor may require (the "**Site Acceptance Request Packag**e"). Franchisor shall evaluate the Site Acceptance Request Package, and shall promptly, but not more than thirty (30) days after receipt of Prospective Franchisee's complete Site Acceptance Request Package, send to Prospective Franchisee written notice of acceptance or non-acceptance of the site plans and evaluations. Franchisor may, at its option, conduct site visits for each proposed site, at no cost to Prospective Franchisee. Franchisor assumes no liability or responsibility for: (a) evaluation of an accepted site's soil for hazardous substances; (b) inspection of any structure on the accepted site for asbestos or other toxic or hazardous materials; (c) compliance with the Americans With Disabilities Act (**"ADA"**); or (d) compliance with any other applicable law. It is Prospective Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that the accepted site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

6. **Lease or Purchase of the Site**: Within one hundred twenty (120) days after receiving notice that Franchisor has accepted Prospective Franchisee's site (or within the timeframe set forth in Section 1 hereof, whichever is sooner), Prospective Franchisee shall submit, in writing to Franchisor, satisfactory proof to Franchisor that Prospective Franchisee, or Prospective Franchisee's designated Prospective Franchisee entity: (a) owns or controls the accepted site at which the Restaurant is to be developed and operated; or (b) has leased the site for a term which, with renewal options, is not less than the initial term of the Franchise Agreement; or (c) has entered into a letter of intent or written agreement to purchase or to lease the site on terms provided herein, subject only to obtaining necessary governmental permits. The proof required by this Section includes submission of executed copies of all leases and deeds, as well as all governmental

approvals if effectiveness of the leases or deeds is conditioned thereon. Franchisor shall have the right to approve the terms of any lease or sublease for the site for the Restaurant before Prospective Franchisee signs it. Franchisor's approval of any lease is conditioned upon inclusion in the lease of the "**Lease Rider"** attached to the Franchise Agreement as Exhibit F. However, Franchisor shall not be responsible for review of the lease for any terms other than those contained in the Lease Rider. The lease or sublease shall not contain any covenants, use clauses or other obligations that would prevent Prospective Franchisee from performing its obligations under this Agreement or the Franchise Agreement.

7. **Approved Location**: After the location for the Restaurant is approved by Franchisor pursuant to Section 5 hereof and leased or acquired by Prospective Franchisee pursuant to Section 6 hereof, the location will be qualified to become the "**Approved Location"** described in Section 1.1 of the Franchise Agreement. If Prospective Franchisee signs a Franchise Agreement with Franchisor within thirty (30) days of the later of site acceptance or signing a lease for the site, the Approved Location shall be specified on Exhibit A to the Franchise Agreement, and shall become a part the Franchise Agreement.

8. **Prospective Franchisee Acknowledgements**:

(a) Prospective Franchisee acknowledges that this Agreement shall not constitute a Franchise Agreement between Prospective Franchisee and Franchisor, and that nothing in this Agreement shall be construed to grant to Prospective Franchisee any rights (including without limitation rights in, and/or to use, Franchisor's proprietary trademarks, trade names, service marks and other indicia of origin) which are granted under the Franchise Agreement. Prospective Franchisee further acknowledges that nothing in this Agreement ensures that Franchisor will enter into a Franchise Agreement with Prospective Franchisee, and Prospective Franchisee understands that it may not qualify, in Franchisor's sole discretion, to become a Prospective Franchisee under the System.

(b) Franchisor possesses (and will continue to possess and acquire) certain confidential information, knowledge, or know-how concerning the development and operation of a Roy Rogers Restaurant, including, without limitation, information related to site selection criteria, site evaluation methods, marketing, and other information in connection with products and services offered under the System (the "**Confidential Information**"). Prospective Franchisee acknowledges and agrees that it will not acquire an interest in Confidential Information, other than the right to use it pursuant to this Agreement, and that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Prospective Franchisee only on the condition that Prospective Franchisee: (a) shall not use the Confidential Information in any other business or capacity; (b) shall keep the Confidential Information absolutely confidential for all time; (c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (d) will adopt and implement all reasonable procedures that Franchisor prescribes from time to time to prevent unauthorized use or disclosure of Confidential Information. This provision shall survive the termination or expiration of this Agreement.

(c) Franchisor does not make any representation or warranty express or implied as to the potential success of any site for a Restaurant, and Prospective Franchisee acknowledges that it has not received nor shall it receive or rely upon, any such representation or warranty. Franchisor's approval of a site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of evaluation. Prospective Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites for Roy Rogers Restaurants may not be predictive of potential for success of the Restaurant. Prospective Franchisee acknowledges that the success of the location contemplated under this Agreement for the establishment of the Restaurant is speculative and depends, to a large extent, upon Prospective Franchisee's ability as an independent businessperson, his/her active participation in the daily affairs of the Restaurant, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor shall not be responsible for the failure of the site for the Restaurant to meet Prospective Franchisee's expectations as to revenue, operational performance or other measures. Prospective Franchisee further acknowledges and agrees that its acceptance of a site for the operation of the Restaurant is based on its own independent investigation of the suitability of the site.

9. **Miscellaneous**:

(a) Prospective Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber the rights and obligations of the Prospective Franchisee under this Agreement.

(b) This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed exclusively under the laws of the state of Maryland, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Maryland choice-of-law rules).

(c) This Agreement constitutes the entire, full, and complete Agreement between Franchisor and Prospective Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Prospective Franchisee to execute this Agreement. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

[*Signature Page Follows*]

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Agreement on the date first above written.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Prospective Franchisee
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit C

Area Development Agreement

ROY ROGERS

AREA DEVELOPMENT AGREEMENT

_____
Developer Name

_____
Development Area

_____
Date of Agreement

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ROY ROGERS
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into on this ___ day of _____, 20___ ("**Effective Date**") by and between:

- Roy Rogers Franchise Company, LLC a Maryland limited liability company whose principal place of business is 4991 New Design Road, Suite 109, Frederick, MD 21703 ("**Franchisor**"); and

- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ ("**Developer**").

BACKGROUND:

A. Franchisor owns a format and system (the "**System**") relating to the establishment and operation of quick service restaurant businesses operating in buildings that bear Franchisor's interior and exterior trade dress, under the "Roy Rogers" name and marks, which specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, special limited time offer menu items, and such additional products as Franchisor may designate from time to time for on-premises, "drive-thru" and carry-out consumption, and includes the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items (the "**Roy Rogers Restaurants**");

B. The distinguishing characteristics of the System include, without limitation, a specially-designed building or facility for restaurant operations, with specially developed equipment, equipment layouts, and signage; distinctive interior and exterior design, trade dress and accessories; specialized products, and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

C. Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark "Roy Rogers", and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by Franchisor in writing) for use in connection with the System (the "**Proprietary Marks**");

D. Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

E. Franchisor grants to qualified persons franchises to own and operate Roy Rogers Restaurants; and

F. Developer wishes to obtain certain rights to develop Roy Rogers Restaurants; and Developer and Franchisor wish to enter into this Agreement in order to reflect the understandings and agreements that they have reached with respect to the foregoing points and the other matters that are addressed herein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. GRANT

1.1 Grant of Rights. Franchisor hereby grants to Developer the right (and Developer hereby accepts the obligation), pursuant to the terms and conditions of this Agreement, to develop a specified number of Roy Rogers Restaurants ("**Restaurant**" or "**Restaurants**") in the Development Area (defined below), as set forth in Paragraph 1 of Exhibit A attached hereto. In this regard, the parties further agree that:

1.1.1 Restaurants shall be developed by Developer pursuant to the development schedule set forth in Paragraph 3 of Exhibit A attached hereto (the "**Development Schedule**"). Developer acknowledges and agrees that the Development Schedule includes two schedules, both of which must be met by Developer. One schedule is a franchise agreement execution schedule, and one schedule is a restaurant opening schedule. Collectively, they are the "Development Schedule." If, at any time during the term of this Agreement, Developer fails to satisfy the Development Schedule or fails to comply with this Agreement, any Franchise Agreements (as defined below), or any System standards, Franchisor shall have the right, but not the obligation, to exercise Franchisor's termination rights, and other rights, pursuant to Section 6 hereof.

1.1.2 Each Restaurant developed under this Agreement shall be established and operated pursuant to a separate Roy Rogers Franchise Agreement (a "**Franchise Agreement**") that shall be executed as provided in Section 3.1 below.

1.1.3 Each Restaurant developed under this Agreement shall be located within the area that is specified in Paragraph 2 of Exhibit A, attached hereto (the "**Development Area**").

1.2 Restrictions on Development by Franchisor. If Developer is in compliance with its obligations under this Agreement and all of the Franchise Agreements between Developer (including any affiliate of Developer) and Franchisor, then Franchisor shall not establish, nor license anyone other than Developer to establish, a Restaurant in the Development Area until the earlier of (a) the termination or expiration of this Agreement, (b) the opening of the last required Restaurant under the Development Schedule, or (c) the last date specified in the Development Schedule.

1.3 Reservation of Rights. Except as otherwise specifically provided under Section 1.2 above, Franchisor retains all other rights, and therefore Franchisor shall have the right (among others) on any terms and conditions Franchisor deems advisable, and without granting Developer any rights therein, to:

1.3.1 establish, and license others to establish, Roy Rogers Restaurants at any location outside the Development Area notwithstanding such restaurants' proximity to any Restaurant operated by Developer within the Development Area, or their actual or threatened impact on sales at such Restaurant(s);

1.3.2 establish, and license others to establish, Roy Rogers Restaurants at any institutional or captive audience facilities, including, without limitation, military bases, airports and other public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or interstate travel plazas, parks, arenas and convention centers stadiums, malls, museums, art centers, contract or institutional food service operators, in theaters, warehouse clubs, theme parks, amusement parks, truck stops, and/or casinos ("**Institutional Facilities**") within or outside the Development Area, notwithstanding such Roy Rogers Restaurants' proximity to the Development Area, any Roy Rogers Restaurant developed or operated pursuant to this Agreement, or their actual or threatened impact on sales at any such Roy Rogers Restaurant;

1.3.3 establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products that are the same as, similar to, or different from the products and services offered from the Restaurant, and which restaurants or stores may be located within or outside the Development Area, notwithstanding such restaurant's or store's proximity to the Development Area or to any Restaurant developed or operated pursuant to this Agreement, or their actual or threatened impact on sales at such Roy Rogers Restaurant(s); and

1.3.4 in the event Franchisor or its affiliates acquire another chain or system, or Franchisor or its affiliates are acquired by another chain or system, that operates and/or franchises restaurants or stores that are the same or similar to Roy Rogers Restaurants in that they have a substantially similar menu or similar theme or concept, Franchisor or its affiliates may establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other marks, which restaurants or stores may offer or sell products or services that are the same as, or similar to, the products and services offered from the Restaurant, and which restaurants or stores may be located within or outside the Development Area, despite these restaurants' or stores' proximity to any Roy Rogers Restaurant operated by Developer or their actual or threatened impact on sales at such Roy Rogers Restaurant; and

1.3.5 sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services, or merchandise from any location or to any purchaser (including, but not limited to, sales made at retail locations, supermarkets, gourmet shops, mail order, and on the Internet), so long as such sales are not conducted from a Roy Rogers Restaurant operated from a location inside the Development Area (excluding an Institutional Facility).

1.4 No Rights in Proprietary Marks. This Agreement is not a franchise agreement, and does not grant to Developer any right to use in any manner Franchisor's Proprietary Marks or System.

1.5 No Sublicensing. Developer shall have no right under this Agreement to license others to use in any manner the Proprietary Marks or System.

2. DEVELOPMENT FEE

2.1 Development Fee. In consideration of the development rights granted herein, Developer shall pay to Franchisor a development fee in the amount and manner specified in Exhibit A (the "**Development Fee**").

2.2 Non-Refundability. The Development Fee shall be fully earned when received by Franchisor and shall be non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting the development rights herein, granting franchises for each Restaurant listed in the Development Schedule, and for the development opportunities lost or deferred as a result of the rights granted Developer herein.

3. DEVELOPMENT OBLIGATIONS

3.1 Exercise of Development Obligations; Franchise Agreements. Developer shall execute a Franchise Agreement for each Restaurant to be developed hereunder. Developer shall execute the first Franchise Agreement required under this Agreement contemporaneously with the execution of this Agreement. Notwithstanding the foregoing, Franchisor, in its sole discretion, may permit one or more Franchise Agreements to be executed by entities other than Developer; provided that (a) Developer owns a controlling ownership interest in the franchisee entity; (b) Franchisor consents to the ownership structure of, and each owner of more than twenty-five percent (25%) equity in, the franchisee entity; and (c) the

Developer, or a Principal (defined in Section 7.2 below) of Developer consented to by Franchisor, executes a guarantee, guaranteeing to Franchisor the timely payment and performance of each franchisee's obligations under each Franchise Agreement. Each Restaurant shall be located at a site approved by Franchisor in writing, within the Development Area, as provided in the Franchise Agreement (the "**Approved Location**").

The Franchise Agreement for the first (1st) Restaurant developed hereunder shall be in the form of the Franchise Agreement attached hereto as Exhibit D, and the Franchise Agreement for each additional Restaurant developed hereunder shall be the form of Franchise Agreement being offered generally by Franchisor at the time each such Franchise Agreement is executed, subject to such modifications to which the parties may agree.

3.2 Development Schedule. Recognizing that time is of the essence, Developer agrees to satisfy the Development Schedule. Failure by Developer to adhere to the Development Schedule shall constitute a default under this Agreement as provided in Section 6.2 hereof. Developer acknowledges and agrees that the time limits and time frames set forth in and inherent in the Development Schedule, and not those in the Franchise Agreement or elsewhere, shall govern Developer's obligations hereunder.

3.3 Site Evaluation and Approval. For each Restaurant to be developed hereunder, Developer shall submit to Franchisor, in the form that Franchisor may specify, a complete Site Acceptance Request Package (defined below), including, but not limited to, (1) a copy of the site plan, (2) a copy of the floor plan, (3) proposed parking and elevations, (4) an option contract, letter of interest, or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining or controlling the site, (5) a document that identifies market competitors, retail conditions, and a summary of site characteristics and attributes, and (6) such other information or materials as Franchisor may require to evaluate the proposed site the ("**Site Acceptance Request Package**").

3.3.1 Provided Developer, and Developer's designated franchisee entities, are not in default beyond any applicable notice, grace, or cure periods under this Agreement or any other development, franchise, or other agreement with Franchisor, Franchisor shall evaluate each Site Acceptance Request Package and shall promptly, but not more than thirty (30) days after receipt of Developer's complete Site Acceptance Request Package, send to Developer written notice of acceptance or non-acceptance of the site plans and evaluations. With respect to each Restaurant to be developed hereunder, Franchisor may, at its option, conduct site visits for each proposed site, at no cost to Developer. Developer hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Restaurant or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Developer and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Developer's expectations as to revenue or operational criteria.

3.3.2 Franchisor's acceptance of one or more sites and its refusal to accept other sites is not a representation or a promise that an accepted site will have a higher sales volume or be more profitable than a site which Franchisor did not accept. Franchisor assumes no liability or responsibility for: (i) evaluation of an accepted site's soil for hazardous substances; (ii) inspection of any structure on the accepted site for asbestos or other toxic or hazardous materials; (iii) compliance with the Americans With

Disabilities Act (**"ADA"**); or (iv) compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the accepted site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA. Developer further acknowledges and agrees that its acceptance of a franchise for the operation of a Restaurant at a site is based on its own independent investigation of the suitability of the site. For each Restaurant to be developed hereunder, Developer shall execute a lease/sublease that complies with the provisions of Section 1.1 and Exhibit F of the Franchise Agreement, or a binding agreement to purchase the site. Developer acknowledges and agrees that, notwithstanding the execution of the Franchise Agreement and any applicable exhibits and attachments thereto, the selection and approval of a site that may become an Approved Location under a Franchise Agreement shall be governed by this Agreement and Franchisor's site review and approval procedures as set forth in Franchisor's confidential operations manuals (the "**Manuals**"), and not the Site Selection Addendum to the Franchise Agreement. Franchisor reserves the right to designate third parties to provide Developer with some of the site selection and site evaluation assistance described above.

3.3.3 Developer and Franchisor each agrees as follows: Within one hundred twenty (120) days after notice of Franchisor's site acceptance, Developer shall submit, in writing to Franchisor, satisfactory proof to Franchisor that Developer, or Developer's designated franchisee entity: (1) owns or controls the accepted site at which the Restaurant is to be developed and operated; (2) or has leased the Approved Location for a term which, with renewal options, is not less than the initial term of the Franchise Agreement; or (3) has entered into a letter of intent or written agreement to purchase or to lease the Approved Location on terms provided herein, subject only to obtaining necessary governmental permits. The proof required by this Section includes submission of executed copies of all leases and deeds, as well as all governmental approvals if effectiveness of the leases or deeds is conditioned thereon. If Developer proposes that it or its designated franchisee entity, if permitted under Section 3.1, will lease or sublease the Approved Location, the lease or sublease shall not contain any covenants, use clauses or other obligations that would prevent Developer from performing its obligations under this Agreement. Any lease, sublease, letter of intent or lease memorandum for the Approved Location shall contain a lease rider in the form attached to the Franchise Agreement as Exhibit F.

3.4 Execution of Franchise Agreement. Within thirty (30) days after notice of Franchisor's site acceptance, Developer or Developer's designated franchisee entity shall execute the Franchise Agreement, if one has not already been executed, and pay all fees required thereunder.

4. TERM

4.1 Term. The term of this Agreement and all rights granted hereunder shall expire on the last date specified in the Development Schedule, unless this Agreement is earlier extended or terminated in accordance with the terms set out in this Agreement.

4.2 No Renewal. This Agreement may not be renewed or extended beyond the end of the term, except by Franchisor upon written authorization.

5. DUTIES OF THE PARTIES

5.1 Site Selection and Approval Guidelines. Franchisor shall furnish to Developer site selection guidelines, including Franchisor's minimum standards for a location for a Restaurant, and such site selection counseling and assistance as Franchisor may deem advisable, subject to the obligations set forth in Section 3.

5.2 Developer's Obligations. Developer accepts the following obligations:

5.2.1 Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of Developer's employees, attorneys, accountants, and other agents who must have access to it in connection with their employment or consultation. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

5.2.2 Developer shall comply with all requirements of federal, state, and local laws, rules, and regulations. To the extent that the requirements of said laws are in conflict with the terms of this Agreement or other instructions of Franchisor, Developer shall: (a) comply with said laws; and (b) immediately provide written notice describing the nature of such conflict to Franchisor.

5.2.3 Franchisor shall have the right to require Developer to employ one (1) or more district managers (who may be a Principal of Developer) ("**District Managers**") to supervise the day-to-day operations of Developer's Restaurants, so that all Restaurants operate in accordance with the System and all Restaurants present a consistent brand image and customer experience in accordance with System standards, if Developer (and/or an affiliate of Developer) operates more than one (1) Restaurant. Any District Manager(s) shall be required to attend and successfully complete (to Franchisor's reasonable satisfaction) such training course(s) as Franchisor may reasonably require. Developer acknowledges and agrees that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by Developer, without any influence or advice from Franchisor, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Franchisor. Further, it is the intention of the parties to this Agreement that Franchisor shall not be deemed a joint employer with Developer for any reason. If Franchisor incurs any cost, loss, or damage as a result of any actions or omissions of Developer or Developer's employees, including any that relate to any party making a finding of any joint employer status, Developer will fully indemnify Franchisor for such loss.

5.2.4 If Developer and Franchisor agree that Developer shall develop more than three (3) Restaurants pursuant to this Agreement, as set forth in Exhibit A, all training for Developer's personnel at the fourth (4th) and any additional Restaurant(s) shall be conducted by Developer at Developer's certified training restaurant ("**Certified Training Restaurant**"), including, but not limited to, Franchisor's initial training program. Developer's Certified Training Restaurant must meet Franchisor's standards and specifications, and must have successfully completed Franchisor's Certified Training Restaurant certification process by the date that the third (3rd) Restaurant is scheduled to open for business in Exhibit A. Developer must pay to Franchisor a fee equal to three thousand dollars ($3,000) for Franchisor's time and expenditures in connection with the Certified Restaurant Training certification process, prior to commencing such certification process.

5.3 Financial Information, Accounting, and Reporting Requirements. With respect to the operation and financial condition of Developer, Developer shall provide to Franchisor such financial information as Franchisor may reasonably request concerning the Developer and any shareholders or members, subsidiaries, or affiliates of Developer owning an interest in Developer or any Restaurant. Developer shall, if so required by Franchisor, adopt a fiscal year and fiscal accounting periods that coincide with Franchisor's then-current fiscal year, as specified by Franchisor. In addition, the following shall apply to Developer:

5.3.1 Franchisor reserves the right to require that Developer maintain for a period of not less than five (5) years during the term of this Agreement, and, for not less than five (5) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and

accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

5.3.2 Once Developer (and/or any affiliate of Developer) has established and operates two (2) or more Restaurants, then at its expense, Developer shall also furnish to Franchisor, no later than April 15 of each year for the preceding fiscal year during the term hereof, an Administrative P&L. The term "Administrative P&L" shall mean a profit and loss statement, and such additional financial information in such detail as Franchisor may reasonably require, relating to the expenses Developer (and/or its affiliates) incurred with respect to the management of its operations during said fiscal year; and such Administrative P&L shall be prepared on a review basis by the then regular accountant of the Developer, which shall be reasonably satisfactory to Franchisor.

5.3.3 With regard to each Restaurant developed hereunder, Developer shall comply with all reporting and recordkeeping requirements as may be described in the applicable Franchise Agreement for such Restaurant including, but not limited to, those requirements described in Section 9 of such Franchise Agreement.

5.4 Guarantee. Each present and future: (i) shareholder of a corporate Developer with at least a twenty percent (20%) equity interest in Developer; (ii) member of a limited liability company Developer, with at least a twenty percent (20%) equity interest in Developer; (iii) partner of a partnership Developer with at least a twenty percent (20%) equity interest in Developer; (iv) partner of a limited liability partnership Developer with at least a twenty percent (20%) equity interest in Developer; (v) general partner of a partnership Developer; (vi) general partner of limited liability partnership Developer; and (vii) managing member of a limited liability company Developer; shall jointly and severally guarantee Developer's performance of each and every provision of this Agreement by executing the Guarantee in the form attached to this Agreement as Exhibit B, provided, however, that no guarantee shall be required from a person who acquires Developer's securities (other than a controlling interest) if and after Developer becomes registered under the Securities Exchange Act of 1934. For purposes of calculating the interest of a person, all interests held by the following shall be attributed, requiring guarantees from all such individuals or entities: (a) family of an individual including his brothers and sisters (whether by the whole or half-blood), spouse, ancestors, lineal descendants, and spouses of any of these individuals and lineal descendants of any of such spouses; and (b) any entities controlled in the aggregate by some or all of such individuals.

6. DEFAULT

6.1 Automatic Termination. Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Developer or such a petition is filed against and not opposed by Developer within thirty (30) days; or if Developer is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if Developer is dissolved or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against the premises or equipment of any Restaurant developed hereunder is instituted against Developer and not dismissed or bonded within thirty (30) days; or if the real or personal property of Developer shall be sold after levy thereupon by any sheriff, marshal, or constable.

6.2 Compliance with Development Schedule. Developer acknowledges and agrees that time is of the essence, and that Developer has agreed to strict compliance with the Development Schedule. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder or take any of the actions described in Section 6.4 below, without affording Developer any opportunity to cure the default, effective immediately upon the provision of notice to Developer (in the manner provided under Section 9 hereof);

6.2.1 If Developer misses a deadline set forth in the Development Schedule.

6.2.2 If the Franchise Agreement for any Restaurant operated by Developer (or an entity affiliated with Developer) is terminated.

6.3 Other Defaults; Cure Period. Except as otherwise provided in Sections 6.1 and 6.2, above, if Developer fails to comply with any material term and condition of this Agreement, or fails to comply with the terms and conditions of any Franchise Agreement or other development agreement or other agreement between the Developer (or a person or entity affiliated with or controlled by the Developer) and Franchisor, such action shall constitute a default under this Agreement. Upon the occurrence of any such default, Franchisor may terminate this Agreement by giving written notice of termination stating the nature of such default to Developer at least thirty (30) days prior to the effective date of termination; provided, however, that Developer may avoid termination by, promptly following receipt of such notice, initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the thirty (30) day period (or such longer period as applicable law may require). If any such default is not cured within the specified time (or such longer period as applicable law may require or as otherwise permitted by Franchisor), this Agreement and all rights granted hereunder (including but not limited to, the right to develop any new Restaurants) will terminate without further notice to Developer, effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

6.4 Actions in Lieu of Termination. If Franchisor is entitled to terminate this Agreement in accordance with Sections 6.2 or 6.3 above, Franchisor shall have the right to undertake any one or more of the following actions instead of terminating this Agreement:

6.4.1 Franchisor may terminate or modify any rights that Developer may have with respect to "exclusivity" or protection in the Development Area, as granted under Sections 1.1 and 1.2 above, effective ten (10) days after delivery of written notice thereof to Developer; and/or

6.4.2 Franchisor may modify, or eliminate completely, the Development Area described in Section 1.1 above and in Exhibit A; and/or

6.4.3 Franchisor may reduce or modify the remaining number of Franchise Agreements that Developer (or a person or entity affiliated with or controlled by Developer) may execute and the remaining number of Restaurants to be operated under or pursuant to this Development Agreement, including, but not limited to, reduce the number of additional Franchise Agreements and Restaurants to zero (0); and/or

6.4.4 If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 6.4, such action shall be without prejudice to Franchisor's right to terminate this Agreement in accordance with Sections 6.2 or 6.3 above, and Franchisor shall have the right to retain all Development Fees paid by Developer, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

6.5 Compliance with System Standards. If Developer or any franchisee that executes a Franchise Agreement pursuant to this Agreement is not operating the development business contemplated by this Agreement, or the franchised business or Restaurant, in strict compliance with all applicable agreements and the System standards, Franchisor may refuse to permit Developer or a franchisee to continue to develop, open, and operate new Restaurants until such time that any and all such defaults or deficiencies are cured or corrected to Franchisor's satisfaction. Such cessation of development shall not extend any part of the Development Schedule nor act as, or be deemed as, a waiver of Developer's development obligations.

6.6 Post-Termination Rights. Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Restaurants for which a Franchise Agreement has not been executed by Franchisor at the time of termination. Thereafter, Franchisor shall be entitled to establish, and to license others to establish, Restaurants in the Development Area (except as may be otherwise provided under any Franchise Agreement that has been executed between Franchisor and Developer).

6.7 Damages and Costs. Developer shall pay Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) incurred by Franchisor subsequent to the termination or expiration of this Agreement in seeking to enforce any provision of this Section 6, including seeking to enforce the termination of this Agreement.

6.8 Cross-Default. No default under this Area Development Agreement shall constitute a default under any Franchise Agreement between the parties hereto.

6.9 No Exclusive Remedy. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

7. TRANSFERS

7.1 Franchisor Transfers. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement, or any interests in the assets of Franchisor, or any ownership or equity interests in Franchisor, to any person or legal entity, and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

7.2 Principals. If Developer is a corporation, limited liability company, partnership, or limited liability partnership, each member of Developer with at least a twenty percent (20%) equity ownership interest in Developer and the right to manage the Developer (each a "**Principal**"), and the interest of each Principal in Developer, is identified in Exhibit C hereto. Except as otherwise set forth herein, Developer represents and warrants that its owners are as set forth on Exhibit C attached to this Agreement, and covenants that it will not permit the identity of such owners, or their respective interests in Developer, to change without complying with this Agreement. Franchisor shall have the right to designate any person or entity which owns at least a ten percent (10%) direct or indirect equity interest in Developer as a Principal, and Exhibit C shall be so amended automatically upon notice thereof to Developer. Throughout the term of this Agreement, Franchisor shall have a continuing right to designate as a Principal any person or entity that owns a direct or indirect interest in Developer.

7.3 Developer Transfers. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted the rights described in this Agreement in reliance on Developer's or Developer's Principal Operator's business skill, financial capacity, and personal character. Accordingly:

7.3.1 Developer shall not, without the prior written consent of Franchisor, transfer, pledge, or otherwise encumber: (a) the rights and obligations of the Developer under this Agreement; (b) any material asset of Developer; (c) the lease or any other interest in any site that is or may become an Approved Location under any Franchise Agreement; or (d) any ownership interests in Developer.

7.3.2 If Developer is a corporation, Developer shall not, without the prior written consent of Franchisor: (a) issue any voting securities or securities convertible into voting securities, nor (b) permit the transfer, sale, pledge, or any assignment whatsoever of such securities; and any recipient of any such securities having voting rights shall become a Principal under this Agreement, if so designated by Franchisor.

7.3.3 If Developer is a partnership or limited liability company, the partners of the partnership or members of the limited liability company shall not, without the prior written consent of Franchisor, admit additional general partners or managing members, remove a general partner or managing member, or otherwise materially alter the powers of any general partner or managing member. Each general partner, or member of a partnership or limited liability company shall automatically be deemed a Principal of Developer.

7.3.4 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of the Principal in Developer as shown in Exhibit C.

7.3.5 Developer shall not transfer or assign its lease for any Approved Location to, or permit a default or surrender of the lease that will or may cause any Approved Location to be owned, leased, or operated by, any person or entity that will not operate a Roy Rogers Restaurant at the Approved Location, without the prior written consent of Franchisor.

7.4 Conditions for Approval. Franchisor shall not unreasonably withhold, any consent required by Section 7.3; provided, however, that if Developer proposes to transfer its obligations hereunder or any interest in any material asset, or if Developer or a Principal proposes to transfer any direct or indirect interest in Developer, Franchisor shall have the right to require any or all of the following as conditions of its approval:

7.4.1 The transferor shall have executed a general release (which shall include a release from the transferor, Developer, and the current and former owners, Principals and guarantors of Developer), in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Developer and Franchisor or its affiliates, and federal, state, and local laws and rules.

7.4.2 The transfer shall be accompanied by a transfer of all franchise agreements with Franchisor and rights to all of the Restaurants operated thereunder and owned by Developer (or an entity owned or controlled by, or affiliated with, Developer) being sold to such transferee or its designees simultaneously with the transfer of this Agreement or rights thereunder.

7.4.3 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Developer; and, if the obligations of Developer were guaranteed by the transferor, the Principal shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor.

7.4.4 Prior to, and after the transfer, the Principals of the Developer shall meet Franchisor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the business of Developer, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the business.

7.4.5 If a proposed transfer would result in a change in control of the Developer, at Franchisor's option, the transferee or the new developer controlled by the transferee shall execute, for a term ending on the expiration date of this Agreement the form of area development agreement then being offered to new developers in the System, and such other ancillary agreements required by Franchisor for the business contemplated hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement.

7.4.6 The transferor shall remain liable for all of the obligations to Franchisor in connection with this Agreement that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

7.4.7 The transferee shall have the same training obligations as set forth for Developer in Section 5.3.

7.4.8 If a proposed transfer would result in a change in control of Developer, the Developer's business, or any of Developer's assets, including any Roy Rogers Restaurants owned, operated, or controlled by Developer, Developer shall pay a non-refundable transfer fee of ten thousand dollars ($10,000) plus five thousand dollars ($5,000) for each Restaurant that is required to be operated hereunder for which there is not an executed franchise agreement. The transfer fee under this Agreement shall be in addition to any transfer fees paid under any Franchise Agreements subject to this Area Development Agreement. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by Franchisor, Developer or the proposed transferee shall reimburse Franchisor for all of its costs and expenses incurred in connection with its evaluation of the proposed transfer, including, without limitation, attorneys' and accountants' fees, background checks, site evaluation, and training, if applicable.

7.4.9 Any purchase and sale agreement between the transferor and transferee shall provide for and require that the Roy Rogers Restaurant shall continue to operate without interruption during the transfer.

7.4.10 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Section 8.2 and Section 8.3 of this Agreement.

7.4.11 Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 7.4, and may do so in the Manuals or otherwise in writing. Franchisor may, but is not obligated to, provide the additional details regarding the transfer conditions and Franchisor's consent to Developer.

7.5 Right of First Option.

7.5.1 If Developer or any Principal desires to accept any *bona fide* offer from a third party to purchase 100% of the ownership interests in Developer, any material assets of Developer, or any direct or indirect interest in this Agreement, Developer or such Principal first must notify Franchisor of such offer, and must provide to Franchisor in writing the terms and conditions upon which such sale or

transfer may be made. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to seller that Franchisor intends to purchase the seller's interest or such material assets on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest or such assets, the closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not elect to purchase the interest in Developer or this Agreement, or assets proposed for sale or transfer, Developer or its Principal may then offer such interest in Developer or this Agreement, or assets to third parties for sale or transfer on the same terms and conditions as those offered to Franchisor as described above, subject to the provisions of Section 7.5.2 below.

7.5.2 Any material change in the terms of the *bona fide* offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 7.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 7, with respect to a proposed transfer, or a waiver of any subsequent offer.

7.5.3 In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Developer or seller, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Developer or seller. The cost of any such appraisal shall be shared equally by Franchisor and Developer or seller. If Franchisor elects to exercise its right under this Section 7.5, Franchisor shall have the right to set off all amounts due from Developer or seller, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

7.6 Transfer Upon Death. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party approved by Franchisor within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer the deceased's interest to a third party approved by Franchisor within twelve (12) months after the deceased's death.

7.7 Transfer Upon Permanent Disability. Upon the permanent disability of any Principal with a controlling interest in Developer, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 7 within six (6) months after notice to Developer. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) months from the date of determination of disability is unlikely. Permanent Disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 7.7 as of the date of refusal. Franchisor shall pay the cost of the required examination.

7.8 Notification Upon Death or Permanent Disability. Upon the death or Permanent Disability of any Principal of Developer, such person or his representative shall promptly notify Franchisor of such death or claim of Permanent Disability. Any transfer upon death or Permanent Disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

7.9 No Waiver of Claims. Franchisor's consent to a transfer which is the subject of this Section 7 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

7.10 Insolvency. If Developer or any person holding any interest (direct or indirect) of Developer becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of Developer, Developer's obligations and/or rights hereunder, any material assets of Developer, or any indirect or direct interest in Developer shall be subject to all of the terms of this Section 7, including without limitation the rights set forth in Sections 7.3, 7.4, and 7.5 above.

7.11 Securities Offerings. All materials for an offering of stock or partnership interests in Developer or any affiliate of Developer which are required by federal or state law shall be submitted to Franchisor for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Developer or any affiliate of Developer shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the securities of Developer or Developer's affiliates; and Franchisor's review of any offering shall be limited solely to the relationship between Franchisor and Developer and any subsidiaries and affiliates, if applicable. Franchisor may, at its option, require the offering materials to contain a written statement prescribed by Franchisor concerning the limitations stated in the preceding sentence. Developer (and the offeror if not the Developer), the Principals, and all other participants in the offering, must fully indemnify Franchisor, its subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering. For each proposed offering, Developer shall pay Franchisor a non-refundable fee of Five Thousand Dollars ($5,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Developer shall give Franchisor written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 7.12 commences. Any such offering shall be subject to all of the other provisions of this Section 7, including without limitation those set forth in Sections 7.3, 7.4, and 7.5; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Franchisor's approval as to the structure and voting control of the offeror (and Developer, if Developer is not the offeror) after the financing is completed. Developer acknowledges and agrees that any such securities offering or exempt offering shall not permit or effectuate a change in control of Developer, and any such securities offering or exempt offering is subject in this Section 7.

8. COVENANTS

8.1 Full Time and Best Efforts. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer (or one (1) designated Principal or management employee who will assume primary responsibility for the operations of Developer and shall have been previously approved in writing by Franchisor) shall devote full time, energy, and best efforts to the management and operation of the business contemplated hereunder.

8.2 In-Term Covenants. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership corporation or entity:

8.2.1 Divert or attempt to divert any business or customer of any Restaurant using the System 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 Franchisor's Proprietary Marks and the System.

8.2.2 Except as otherwise approved in writing by Franchisor, Developer and Developer's Principals shall not own, maintain, operate, engage in, or have any interest in any "**Competitive Business**," which shall mean a restaurant or food service business that is the same as or similar to a Restaurant. "Same or similar," for the purpose of this Section 8.2.3 and Section 8.3 shall include, among other things, the offer and sale of the same or similar products.

8.3 Post-Term Covenants. Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 7 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, or corporation, or entity), own, maintain, operate, engage in, or have any interest in any Competitive Business which is located within the Development Area and which business is, or is intended to be, the same as or similar to a Restaurant.

8.4 Publicly-Held Corporations. Section 8.3 above shall not apply to ownership by Developer of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term "**publicly-held corporation**" shall be deemed to refer to a corporation which has securities that have been registered under the federal Securities Exchange Act of 1934.

8.5 Individual Covenants. At Franchisor's request, Developer shall require and obtain execution of covenants similar to those set forth in Sections 7 and 8 (as modified to apply to an individual) from any or all of the following persons: Developer's Principals and designated management employees. The covenants required by this Section 8.5 shall be in the form provided in Exhibit E to this Agreement. Failure by Developer to obtain execution of a covenant required by this Section 8.5 shall constitute a default under Section 6.3 hereof.

8.6 Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 8.

8.7 Scope of Covenants. Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 8.2 and 8.3 in this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by

Developer of written notice thereof; and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 13 hereof.

8.8 Enforcement of Claims. Developer expressly agrees that the existence of any claims it 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 Section 8. Developer agrees to pay all costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by Franchisor in connection with the enforcement of this Section 8.

8.9 Irreparable Injury. Developer acknowledges that Developer's violation of the terms of this Section 8 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer accordingly consents to the issuance of an injunction prohibiting any conduct by Developer in violation of the terms of this Section 8.

9. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent via a recognized overnight delivery service, or sent by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses (which shall not include only a P.O. Box) shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

10. PERMITS AND COMPLIANCE WITH LAWS

10.1 Compliance with Laws. Developer shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business contemplated under this Agreement.

10.2 Notification of Claims. Developer shall notify Franchisor in writing within three (3) days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or occurrence of any accident or injury which may adversely affect the operation of the business contemplated hereunder or the financial condition of Developer or give rise to liability or a claim against Developer or Franchisor.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

11.1 Independent Contractors. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Developer acknowledges and agrees that it is solely responsible for all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, and that such decisions shall be made by Developer, without any influence or advice from Franchisor, and such decisions and actions shall not be, nor deemed to be, a decision or action of Franchisor.

11.2 Identification as Independent Contractor. At all times during the term of this Agreement, Developer shall hold itself out to the public and to its employees as an independent contractor operating pursuant to this Agreement. Developer agrees to take such action as may be necessary to do so, including,

without limitation, exhibiting a notice of that fact in a conspicuous place in the Developer's offices, the content of which Franchisor reserves the right to specify.

11.3 No Agency. It is understood and agreed that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Developer in Developer's operations hereunder, or for any claim or judgment arising therefrom against Developer or Franchisor.

11.4 Indemnification. Developer shall, to the fullest extent permissible under applicable law, indemnify and hold Franchisor, Franchisor's owners and affiliates, and their respective officers, directors, employees, and agents, harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with this Agreement, Developer's operation of the business conducted under this Agreement, Developer's and Developer's employees' actions and inaction, or Developer's breach of this Agreement, including, without limitation, those alleged to be caused by Franchisor's negligence, or brought by Developer, Developer must also defend Franchisor and its affiliates, and their respective officers, directors, employees, and agents, against all Claims, provided that Franchisor or its affiliates, and their respective officers, directors, employees, and agents may use their own counsel and may control the investigation and defense of such claims, but at Developer's cost and expense. Developer's obligations under this Section do not apply if (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, including, but not limited to, claims brought by the Developer. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees (including, but not limited to, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)), travel expenses, and other charges, in connection with any proceeding involving Developer in which Franchisor is not a party, Developer shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Developer acknowledges and agrees that Developer's indemnification, defense and hold harmless obligations under this Section 11.4 shall survive the termination or expiration of this Agreement.

12. APPROVALS AND WAIVERS

12.1 Approvals. Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

12.2 No Warranties. Developer acknowledges and agrees that Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by providing any waiver, approval, consent, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

12.3 Waivers. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Developer under any of the terms, provisions, covenants, or conditions of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Developer, or as to subsequent breach or default by Developer. Subsequent acceptance by Franchisor of any payments or partial payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Developer of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

13. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between Franchisor and Developer concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Developer to execute this Agreement. There are no other oral or written understandings or agreements between Franchisor and Developer, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in Franchisor's Franchise Disclosure Document that Franchisor provided to Developer), relating to the subject matter of this Agreement, the development rights, or the Franchised Businesses. However, and notwithstanding the foregoing, nothing in this Development Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Developer. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

14. SEVERABILITY AND CONSTRUCTION

14.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the agreement unless in the reasonable opinion of Franchisor the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon Franchisor shall have the right by notice in writing to the other party to immediately terminate this Agreement.

14.2 No Other Rights. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, Franchisor's officers, directors, and employees, and such of Developer's and Franchisor's respective successors and assigns as may be contemplated (and, as to Developer, permitted) by Section 7 hereof, any rights or remedies under or by reason of this Agreement.

14.3 Enforceability of Contract. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

14.4 Construction; Captions. All capitalized terms not defined herein shall have the meaning ascribed to them in the Franchise Agreement. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

14.5 Survival of Provisions. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

15. APPLICABLE LAW

15.1 Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor, and, subject to Franchisor's rights under federal trademark laws, all claims arising out of or relating to this Agreement and/or the parties relationship will be governed by, and will be interpreted in accordance with the procedural and substantive laws of the State of Maryland, without regard to its conflict of laws principles; provided, however, that if the covenants in Section 8 of this Agreement would not be enforceable under the laws of Maryland, and the Development Area is located outside of Maryland, then such covenants shall be interpreted and construed under the laws of the state in which the Development Area is located. Nothing in this Section 15.1 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or similar law, rule, or regulation of the State of Maryland to which this Agreement would not otherwise be subject. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

15.2 Venue. The parties agree that all claims brought by Developer against Franchisor in any court, whether federal or state, must be brought only within such state and exclusively in the judicial district in which Franchisor has its principal place of business at the time the action is commenced. Any action brought by Franchisor against Developer in any court, whether federal or state, may be brought within the state and judicial district in which Franchisor or Developer has its principal place of business at the time the action is commenced. The parties agree that this Section 15.2 shall not be construed as preventing either party from removing an action from state to federal court. Developer and its Principals hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. **Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Developer waives any and all rights to proceed on a consolidated, common, or class basis. Developer acknowledges and agrees that this Section shall survive the termination or expiration of this Agreement.**

15.3 No Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

15.4 Injunctive Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

15.5 Waiver of Jury Trial. **FRANCHISOR AND DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

15.6 Limitations on Actions. **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 15.6, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF DEVELOPER AND FRANCHISOR, OR DEVELOPER'S OPERATION OF THE BUSINESS CONTEMPLATED HEREUNDER, ANY PROCEEDING, OR ANY CLAIM IN**

ANY PROCEEDING (INCLUDING ANY DEFENSES OR ANY CLAIMS OF SET-OFF OR RECOUPMENT) MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS SHALL BE IRREVOCABLY BARRED. CLAIMS OF FRANCHISOR ATTRIBUTABLE TO UNDERREPORTING OF SALES, CLAIMS UNDER THE PROVISIONS OF THIS AGREEMENT PERTAINING TO INSURANCE, AND CLAIMS FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS. "CLAIM" IN THIS SECTION 15.6 MEANS ANY ALLEGATION, CHALLENGE, DEMAND, CAUSE OF ACTION, LAWSUIT, ARBITRATION, DISPUTE, CONTROVERSY, INVESTIGATION OR ADMINISTRATIVE PROCEEDING.

15.7 Waiver of Punitive Damages. **FRANCHISOR AND DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, AND ANY CLAIM TO LIQUIDATED DAMAGES.**

15.8 Costs and Attorneys' Fees. Except as otherwise provided in this Agreement, if either Franchisor or Developer seeks to enforce this Agreement in an any judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

16. ACKNOWLEDGMENTS

16.1 Acknowledgments. Developer acknowledges that it has conducted an independent investigation of the business contemplated hereunder, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Developer and if a corporation, partnership, or LLC, its owners as independent businesspersons. Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received, any warranty, representation, or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

16.2 Receipt of Documents. Developer acknowledges that it received a complete copy of this Agreement and the Exhibits hereto, with all of the blank lines herein filled in, prior to the date on which this Agreement was executed, and with sufficient time within which to review the Agreement with advisors of its choosing. Developer further acknowledges that it received the franchise disclosure document required by the Federal Trade Commission's Franchise Rule, 16 C.F.R. Part 436, at least fourteen (14) days prior to the date on which this Agreement was executed.

16.3 Representations and Warranties. Developer and its Principals represent and warrant to Franchisor that: (a) neither Developer nor any of its Principals have made any untrue statement of any material fact nor omitted to state any material fact in its and their franchise application and other documents and information submitted to Franchisor, or in obtaining the rights granted herein; (b) neither Developer

nor any of its Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in its application materials; (c) the Principal Operator acknowledges and confirms that that he is the authorized representative of Developer, has the authority to enter into this Agreement on behalf of Developer, and each consents to the execution of this Agreement by Developer; and (d) neither Developer nor its Principals (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) are identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury De-partment's Office of Foreign Assets Control (texts available at www.treas.gov/offices/enforcement/ofac/); (iii) have violated or will violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the USA PATRIOT Act (text available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (text available at http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html), the Foreign Corrupt Practices Act, or any similar law. Developer recognizes that Franchisor approved Developer in reliance on all of the statements Developer and its Principals have made in connection therewith, and that Developer has a continuing obligation to advise Franchisor of any material changes in these statements and representations made to Franchisor in this Agreement or in the application materials.

16.4 No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

16.5 Other Acknowledgments. Developer acknowledges that it shall have sole and complete responsibility for the choice of the Development Area and the Approved Locations within the Development Area; that Franchisor has not given any representation, promise, or guarantee of Developer's success in the Development Area and at the Approved Locations; and that Developer shall be solely responsible for its own success in the Development Area and at the Approved Locations. Developer acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Developer's ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby, and Developer acknowledges that it has not received nor relied upon, any such representation or warranty.

16.6 Developer's Obligations. Although Franchisor retains the right to establish and periodically modify System standards, which Developer has agreed to maintain in the operation of the business contemplated hereunder, Developer retains the right and sole responsibility for the day-to-day management, operation, implementation and maintenance of system standards in the business contemplated hereunder.

16.7 Modification of Offers. Developer acknowledges that Franchisor may modify the offer of its franchises and development agreements to other parties in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

16.8 Business Judgment. Developer understands and agrees that Franchisor may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this

Agreement. Whenever Franchisor has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Developer a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including without limitation Franchisor's judgment of what is in the best interests of the franchise network, at the time Franchisor's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Franchisor; (2) Franchisor's decision or the action taken promotes Franchisor's financial or other individual interest; (3) Franchisor's decision or the action it takes applies differently to Developer and one or more other developers or Franchisor's company-owned or affiliate-owned operations; or (4) Franchisor's decision or the exercise of its right or discretion is adverse to Developer's interests. In the absence of an applicable statute, Franchisor will have no liability to Developer for any such decision or action. Franchisor and Developer intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Developer agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's rights and obligations hereunder.

16.9 Consultation. Developer acknowledges that it has read and understood this Agreement, the Exhibits hereto, and agreements relating thereto, if any, and that Franchisor has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement in duplicate on the day and year first above written.

Roy Rogers Franchise Company, LLC Franchisor	_____ Developer
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Address for Notices:	Address for Notices:
Roy Rogers Franchise Company, LLC 4991 New Design Road, Suite 109 Frederick, Maryland 21703	_____ _____ _____
Telephone: (301) 695-5051 Fax: (301) 695-5066 Attn: Co-President	Telephone: _____ Fax: _____ Attn: _____

ROY ROGERS
AREA DEVELOPMENT AGREEMENT
EXHIBIT A
DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. Restaurants. Developer shall develop, own, and operate _____ (__) Roy Rogers Restaurants.

2. Development Area. All Restaurants developed under this Development Agreement shall be located within the boundaries of the following area, which is the "**Development Area**":

_____

_____

_____

3. Development Schedule. Recognizing that time is of the essence, Developer agrees to satisfy the Development Schedule set forth below:

Restaurant	FRANCHISE AGREEMENT SCHEDULE Date by Which Each Franchise Agreement Must be Signed, Restaurant Site Selected and Approved, and Franchisee Entity Approved by Franchisor	RESTAURANT OPENING SCHEDULE Date by Which Each Restaurant Must be Open	Cumulative Number of Restaurants Open and In Operation by Scheduled Opening Date

4. Development Fee. The Development Fee is _____ ($_____).

The applicable Development Fee will depend on the number of Restaurants Developer agrees to develop, as indicated in the chart below:

Number of Restaurants Developed	Development Fee
1	$_____
2	$_____
3	$_____
4	$_____
5	$_____
Each Additional Restaurant	Each additional Restaurant is $_____ per Restaurant.

Franchisor Acknowledgement:

Roy Rogers Franchise Company, LLC
Franchisor

By:_____

Name:_____
Title: _____
Date: _____

Developer Acknowledgement:

_____
Developer

By:_____

Name: _____
Title: _____
Date: _____

ROY ROGERS
DEVELOPMENT AGREEMENT
EXHIBIT B
GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to Roy Rogers Franchise Company, LLC ("**Franchisor**") to execute the Roy Rogers Development Agreement between Franchisor and _____ ("**Developer**"), dated _____, 20__ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Developer's monetary and other obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Developer under the Agreement and waive any right to require Franchisor to: (a) proceed against Developer for any payment required under the Agreement; (b) proceed against or exhaust any security from Developer; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer; or (d) give notice of demand for payment by Developer. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, costs, and expenses (and interest on such fees, costs, and expenses), reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The undersigned each hereby jointly and severally acknowledge the provisions of Section 15 of the Agreement and expressly agree to be individually bound by all of the obligations and covenants contained in the Area Development Agreement, including Sections 5.3.1, 7, and 8 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Roy Rogers" marks or System.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 15 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

(Seal)

Signed: _____
(In his individual capacity)

Name: _____

Address: _____
_____

GUARANTOR(S)

(Seal)

Signed: _____
(In his individual capacity)

Name: _____

Address: _____
_____

GUARANTOR(S)

(Seal)

Signed: _____
(In his individual capacity)

Name: _____

Address: _____
_____

GUARANTOR(S)

(Seal)

Signed: _____
(In his individual capacity)

Name: _____

Address: _____
_____

ROY ROGERS
AREA DEVELOPMENT AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS

Name of Principal	Address and Telephone	E-mail address	Principal Occupation	Interest %

Franchisor Acknowledgement:

Roy Rogers Franchise Company, LLC
Franchisor

By: _____

Name: _____
Title: _____
Date: _____

Developer Acknowledgement:

_____
Developer

By: _____

Name: _____
Title: _____
Date: _____

ROY ROGERS
DEVELOPMENT AGREEMENT
EXHIBIT D
FRANCHISE AGREEMENT

The form of Franchise Agreement currently offered by Franchisor is attached.

ROY ROGERS
DEVELOPMENT AGREEMENT
EXHIBIT E
NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("**Agreement**") is made this _____ day of _____, 20___, by and between _____ (the "**Developer**"), and _____, who is a shareholder, principal, manager, supervisor, member, partner, or a person in a managerial position with, Developer (the "**Member**").

BACKGROUND:

A. Roy Rogers Franchise Company, LLC ("**RRFC**") owns a format and system (the "**System**") relating to the establishment and operation of quick service fast casual restaurant businesses operating in buildings that bear Franchisor's interior and exterior trade dress, under the "Roy Rogers" name and marks, which specialize in the sale of roast beef sandwiches, on-the-bone fried chicken, a variety of other hamburgers and sandwiches, side orders, desserts, breakfast items, soft drinks and beverage items, special limited time offer menu items, and such additional products as Franchisor may designate from time to time for on-premises, "drive-thru" and carry-out consumption, and includes the use of a "Fixin's Bar" to dispense condiments for sandwiches and other food items (the "**Roy Rogers Restaurants**")

B. RRFC and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate one (1) Roy Rogers Restaurant (the "**Restaurant**") and to produce and distribute products and services approved by RRFC and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

C. The Member, by virtue of his or her position with Developer, will gain access to certain of RRFC's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Developer is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business operated thereunder which may be communicated to Member or of which Member may be apprised by virtue of Developer's operation under the terms of the Development Agreement. Any and all information, knowledge, know-how, and techniques which RRFC designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Developer can demonstrate came to its attention prior to disclosure thereof by RRFC; or which, at or after the time of disclosure by RRFC to Developer, had become or later becomes a part of the public domain, through publication or communication by others.

[Note to Developer: Section 2 of this Agreement, which includes a covenant not to compete, is optional. Roy Rogers does not require you to include this language, and it is noted here only for your convenience. Your decision to have your employees execute this Agreement with this Section 2 included, and for you to enforce it, is your decision alone. If you elect to include this Section 2, that decision does not suggest that Roy Rogers is an employer of your employees.]

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Development Agreement, and by virtue of its position with Developer, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of RRFC and the System.

(b) Member covenants and agrees that during the term of Member's employment with, or ownership interest in, Developer, and except as otherwise approved in writing by RRFC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of any Restaurant using the System 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 RRFC's Proprietary Marks and the System;

(ii) Employ or seek to employ any person who is at that time employed by RRFC, Developer, any other franchisee, master franchisee, developer, or development agent, or otherwise directly or indirectly induce such person to leave his or her employment; or

(iii) Own, maintain, operate, engage in, be employed by, or have any interest in any business which is the same as or similar to the Restaurant.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by RRFC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to any Restaurant and which business is, or is intended to be, located within the Development Area established under the Development Agreement.

(d) As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 7 of the Development Agreement with respect to Member; and/or (b) termination of Member's employment with, and/or ownership interest in, Developer.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause RRFC irreparable injury, and Member agrees to pay all court costs and reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) attorney's fees incurred by RRFC in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect RRFC's and/or Developer's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the RRFC or Developer to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Jurisdiction, Venue and Choice of Law. This agreement shall be interpreted in accordance with the laws of the state of Maryland. Jurisdiction and venue shall be in the courts of Montgomery County, Maryland or the United States District Court for the District of Maryland, southern division, or the state and county of the residence of the guarantee or the location of the franchise, at the election of Franchisor.

7. Third-Party Beneficiary. Member hereby acknowledges and agrees that RRFC is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Developer.

IN WITNESS WHEREOF, the Developer and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this _____ day of _____, 20___.

DEVELOPER	MEMBER
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit D

List of Administrators

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll free: (866) 275-2677	**NEW YORK** Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236 (212) 416-6042 Fax
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director, Department of Business Regulation, Securities Division John O. Pastore Complex–Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585
INDIANA Indiana Securities Commissioner Securities Division 302 West Washington Street, Room E111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Division of Securities and Retail Franchising State Corporation Commission 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Department of Attorney General Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 West Ottowa Street Lansing, Michigan 48933 (517) 373-7117	**WASHINGTON** Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760

MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026	**WISCONSIN** Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555

Exhibit E

Agents For Service Of Process

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll free: (866) 275-2677	**NEW YORK** New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director, Department of Business Regulation, Securities Division John O. Pastore Complex–Bldg. 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585
INDIANA Indiana Secretary of State 302 West Washington Street, Room E018 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Department of Attorney General Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, Michigan 48933 (517) 373-7117	**WASHINGTON** Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760

MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026	**WISCONSIN** Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555

Exhibit F
List of Franchisees

Ed Abramson
120 Atlantic City Blvd.
Pine Beach, NJ 08741
Phone: 732-244-3435 **Owner/Operator/Contact: Ed Abramson**

RRFC #	Restaurant	Address				Phone No.
1301	Pine Beach	120 Atlantic City Blvd.	Pine Beach	NJ	08741	732-505-8802
1302	Brick	72 Brick Boulevard	Brick	NJ	08723	732-908-1203

AppleGreen USA Welcome Centres, LLC(acquired from HMS Host Travel Plazas in 2021)
200 Brickstone Square, #404
Andover, Massachusetts 01810
Phone: **Owner/Operator/Contact: James Carey**

Restaurant	Address				Phone No.
New Jersey					
Walt Whitman SvPl	Kresson & Hojo Rd NJ Turnpike	Cherry Hill	NJ	08034	856-429-9323
New York					
Pattersonville SvPl	MP 168 Westbound NY Thruway	Pattersonville	NY	12137	518-887-2028
Pennsylvania					
Peter J Camiel Trpl	MM 349 W Bound Exit 22/23 PA Tnpk	Elverson	PA	19520	610-286-0255
Blue Mountain SvPl	PO Box 9	Newburg	PA	17240	717-423-5592
Allentown SvPl	5052 Cetronia Rd PA Turnpike	Allentown	PA	18104	215-395-2861
Cumberland Valley SvPl	Milepost 219.1 PA Turnpike	Plainfield	PA	17081	717-249-2231
N. Somerset TP	179 North Access Road	Somerset	PA	15501	814-445-9173
So. Midway SvPl	410 Shadyside Drive	Bedford	PA	15522	814-802-7070
Highspire SvPl	441 Industrial Lane	Middletown	PA	17057	717-948-1639

Hunter Bright Restaurants, LLC
7 Riverfield Drive
Westport, CT 06880
Phone: 571-335-0038 **Owner/Operator/Contact: Jason Hunt**

RRFC #	Restaurant	Address				Phone No.
2202	Alexandria #11	8860 Richmond Hwy (Woodlawn)	Alexandria	VA	22309	703-799-0170
2203	Alexandria #12	1506 Belleview Blvd	Alexandria	VA	22307	703-660-1264
2204	Alexandria #13	7013-F Manchester Lakes Blvd	Franconia	VA	22310	703-719-5980

MA FOOD, LLC; Haque Enterprises, LLC; JD Enterprises LLC
7066 Balmoral Forest Rd.
Clifton, VA 20124
Phone: 703-850-0319 **Owner/Operator/Contact: Mohammad Haque**

RRFC #	Restaurant	Address				Phone No.
6001	Aspen Hill	13884 Georgia Avenue	Wheaton	MD	20906	240-669-4348
4001	Solomons Island	14000 H.G. Truman Road PO Box 722	Solomons Island	MD	20688	410-326-4290
4002	LaPlata	6370 Crain Highway	LaPlata	MD	20646	240-776-4535

Exhibit G

List of Former Franchisees

(Terminated or left the System in the fiscal year ended December 28, 2021)

ARRUMP, LLC

New Jersey				
Dipen Desai	9 Gunthers View	Towaco	NJ	07082

HMS HOST[1]

New Jersey				
Molly Pitcher SvPl	Rd 2 Box 23 NJ Turnpike	Cranbury	NJ	08512
Woodrow Wilson SvPl	PO Box 8006 NJ Turnpike	Trenton	NJ	08650
New York				
Plattekill SvPl	6474 Interstate 87	Wallkill	NY	12568
New Baltimore SvPl	PO Box 130	Hannacroix	NY	12087
Junius Pond	1399 Nine Foot Road	Phelps	NY	14532
Indian Castle SvCntr	PO Box 555	Little Falls	NY	13385

HARDEE'S CK

Virginia				
Manassas Park	8502 Centreville Rd.	Manassas Park	VA	22111

MIDSTATE GROUP, LLC

Maryland				
Gambrills	1503B Maryland Route 3 North	Gambrills	MD	21054

[1] HMS Host was acquired by AppleGreen in 2021. Then, these six restaurants were closed due to changes in the contracts with the state highway system, or due to renovation at the rest area.

Exhibit H

List of Company-Owned Roy Rogers Restaurants Operated by PEI

(as of December 28, 2021)

Maryland

1. 624 Queen City Dr.
   Cumberland, Maryland 21502
   (301) 777-8299

2. 1240 West Patrick Street
   Frederick, Maryland 21703
   (301) 695-8414

3. 5622 Buckeystown Pike (Rt. 85)
   Frederick, Maryland 21704
   (301) 695-8270

4. 191 Thomas Johnson Dr.
   Frederick, Maryland 21702
   (301) 695-6399

5. 1204 E. Patrick Street
   Frederick, Maryland 21701
   (301) 695-1464

6. 12907 Wisteria Drive
   Germantown, Maryland 20875
   (301) 540-1883

7. 1719 Massey Blvd.
   Hagerstown, Maryland 21740
   (301) 797-8300

8. 100 North Burhans Blvd.
   Hagerstown, Maryland 21740
   (301) 739-5755

9. 203 Frederick Road
   Thurmont, Maryland 21788
   (301) 271-3252

10. 28 Souder Road
    Brunswick, Maryland 21716
    (301) 834-8022

11. 1990 Riverside Way
    Frederick, Maryland 21701
    (301) 695-6465

12. 301 Ballenger Creek Drive
Frederick, Maryland 21703
(301) 682-9044

13. 9607 Lost Knife Road
Gaithersburg, Maryland 20877
(301) 869-5300

14. 6 Baltimore Boulevard
Westminster, Maryland 21157
(410) 848-2597

15. 15662 Old Columbia Pike
Burtonsville, MD 20866
(240) 389-1341

16. 2690 Crain Highway
Waldorf, MD 20601
301-632-6117

17. 718 Rockville Pike
Rockville, MD 20852
301-762-2117

18. 1053 Maryland Route 3 North
Gambrills, MD 21054
(443)584-4977

19. Adele H. Stamp Union Bldg #163
College Park, MD 20742
(301) 405-7207

20. 6400 Ridge Road
Eldersburg, MD 21784
(443) 398-8770

Virginia

21. 451 S. King Street
Leesburg, Virginia 20175
(703) 777-5551

22. 540 East Market Street
Leesburg, Virginia 20176
(703) 777-6322

23. 130 Riverton Commons Drive
Front Royal, VA 22630
(540) 631-0192

24. 7494 Webb Drive
Gainesville, VA 20155
571-284-5983

West Virginia

25. 144 Oak Lee Drive
Ranson, West Virginia 25438
(304) 728-6050

Exhibit I

Financial Statements

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Financial Statements and Independent Auditor's Report

December 28, 2021 and December 29, 2020

CohnReznick

ADVISORY • ASSURANCE • TAX

Roy Rogers Franchise Company, LLC and Subsidiary

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Independent Auditor's Report

To Management
Roy Rogers Franchise Company, LLC

Opinion

We have audited the accompanying consolidated financial statements of Roy Rogers Franchise Company, LLC and Subsidiary, which comprise the consolidated balance sheets as of December 28, 2021 and December 29, 2020, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Roy Rogers Franchise Company, LLC and Subsidiary as of December 28, 2021 and December 29, 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are required to be independent of Roy Rogers Franchise Company, LLC and Subsidiary, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Roy Rogers Franchise Company, LLC and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibility for the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Roy Rogers Franchise Company, LLC and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Roy Rogers Franchise Company, LLC and Subsidiary'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.

Bethesda, Maryland
April 29, 2022

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Balance Sheets
December 28, 2021 and December 29, 2020

Assets

	2021	2020
Current assets		
Cash and cash equivalents	$ 1,391,994	$ 941,840
Restricted cash	238,035	205,317
Accounts receivable	199,405	266,689
Investments	302,034	259,444
Prepaid expenses	32,447	11,732
Due from affiliates	-	89,114
Total current assets	2,163,915	1,774,136
Property and equipment, at cost		
Equipment and vehicles	14,978	75,399
Leasehold improvements	348,637	343,439
Furniture and fixtures	8,437	8,437
	372,052	427,275
Less accumulated depreciation	99,600	128,880
Net property and equipment	272,452	298,395
Other assets		
Trademarks and service marks	734,454	734,454
Investment reserve - other, net	100,000	125,000
Total other assets	834,454	859,454
Total assets	$ 3,270,821	$ 2,931,985

Liabilities and Members' Equity

Current liabilities		
Accounts payable and accrued expenses	$ 133,556	$ 99,006
Marketing fund restricted liabilities	332,041	279,423
Due to affiliates	88,274	-
Note payable, current portion	37,806	36,400
Total current liabilities	591,677	414,829
Long-term liabilities		
Deferred franchise fees	209,048	197,625
Gift card liability	197,905	226,008
Note payable, net of current portion	189,764	227,543
Total long-term liabilities	596,717	651,176
Commitments and contingencies		
Members' equity	2,082,427	1,865,980
Total liabilities and members' equity	$ 3,270,821	$ 2,931,985

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Income
Years Ended December 28, 2021 and December 29, 2020

	2021	2020
Revenue		
Royalty revenue	$ 1,438,346	$ 1,170,443
Marketing funds revenue	903,820	788,951
Franchise fees	36,833	26,625
Other revenue	256,912	327,454
Total revenue	2,635,911	2,313,473
Operating costs and expenses		
Franchise marketing	889,322	892,196
Wages and benefits	923,860	792,632
Management fees	127,543	107,412
Professional fees	63,764	75,029
Travel	25,136	21,761
Franchise development	180,660	32,556
Office	38,170	22,681
Insurance	12,263	20,195
Depreciation	31,140	14,880
Repairs and maintenance	1,604	14
Licenses, permits and other	7,074	618
Total operating costs and expenses	2,300,536	1,979,974
Income from operations	335,375	333,499
Other income (expense)		
Interest expense	(9,749)	(5,404)
Dividend income	5,112	4,826
Unrealized investment holding appreciation	36,073	25,348
Realized gain (loss) on investments	3,008	(689)
Investment impairment	(25,000)	
Gain on disposal of property and equipment	4,500	-
Total other income (expense)	13,944	24,081
Net income	$ 349,319	$ 357,580

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Members' Equity
Years Ended December 28, 2021 and December 29, 2020

Members' equity, December 31, 2019	$	1,629,585
Net income		357,580
Distributions to members		(121,185)
Members' equity, December 29, 2020		1,865,980
Net income		349,319
Distributions to members		(132,872)
Members' equity, December 28, 2021	$	2,082,427

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 28, 2021 and December 29, 2020

	2021	2020
Cash flows from operating activities		
Net income	$ 349,319	$ 357,580
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	31,140	14,880
Unrealized investment holding appreciation	(36,073)	(25,348)
Net realized (gain) loss on investments	(3,008)	691
Investment impairment	25,000	-
Gain on disposal of property and equipment	(4,500)	-
Net change in operating assets and liabilities		
Accounts receivable	67,284	28,737
Prepaid expenses	(20,715)	(701)
Net advances received from affiliates	88,274	(120,038)
Marketing fund restricted liabilities	52,618	155,839
Accounts payable and accrued expenses	34,550	(35,017)
Gift card liability	(28,103)	(8,796)
Deferred franchise fees	11,423	3,375
Net cash provided by operating activities	567,209	371,202
Cash flows from investing activities		
Purchase of investments	(17,585)	(14,618)
Proceeds from sale of investments	14,076	11,113
Purchase of property and equipment	(5,197)	(287,133)
Proceeds from disposal of property and equipment	4,500	-
Net repayment of advances due from affiliates	89,114	(89,114)
Net cash provided by (used in) investing activities	84,908	(379,752)
Cash flows from financing activities		
Proceeds from notes payable	-	281,600
Principal payments on notes payable	(36,373)	(17,657)
Distributions to members	(132,872)	(121,185)
Net cash (used in) provided by financing activities	(169,245)	142,758
Net increase in cash, cash equivalents and restricted cash	482,872	134,208
Cash, cash equivalents and restricted cash at beginning of year	1,147,157	1,012,949
Cash, cash equivalents and restricted cash at end of year	$ 1,630,029	$ 1,147,157

See Notes to Consolidated Financial Statements.

Note 1 - Nature of business and summary of significant accounting policies

Nature of business

Roy Rogers Franchise Company, LLC, a Maryland limited liability company, is engaged in the business of franchising the Roy Rogers trademarks and service marks to fast food restaurants. The operating agreement provides that Roy Rogers Franchise Company, LLC terminates in June 2027, unless terminated sooner, and that each member's liability is limited to the amount of their capital account. Additionally, the agreement provides that profits and losses shall be allocated to the members in proportion to their respective percentages of interest. Roy Rogers Franchise Company, LLC is the franchisor for seven area franchisees operating 18 locations with one that is temporarily closed as of December 28, 2021 (seven area franchisees operating 25 locations with one that is temporarily closed as of December 29, 2020) in the northeastern region of the United States. Under the franchise agreement, the franchisee pays an initial franchise fee and, based on a specified percentage of sales, royalties to Roy Rogers Franchise Company, LLC and marketing fees to a separate trust. Roy Rogers Trademark Company, LLC, a Maryland limited liability company, holds all rights, title, and interest to the Roy Rogers trademarks. Roy Rogers Trademark Company, LLC is wholly owned by Roy Rogers Franchise Company, LLC.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Roy Rogers Franchise Company, LLC and Roy Rogers Trademark Company LLC, collectively, the "Company". All significant intercompany transactions and balances have been eliminated in consolidation.

The Company maintains a national marketing fund (the "Marketing Fund") established to collect and administer funds contributed for use in advertising and promotional programs for franchised restaurants.

Fiscal year

For financial reporting, the Company has adopted a reporting year consisting of thirteen four-week periods. Accordingly, the fiscal year consists of 52 weeks, except for a periodic adjustment for a fiscal year of 53 weeks every fifth year. The years ended December 28, 2021 and December 29, 2020 each consisted of 52 weeks.

Investments

The Company classifies its investments in marketable debt and equity securities as "trading securities". Securities classified as trading are those securities bought and held principally for the purpose of selling them in the near term. These securities are carried at market value based on quoted market prices, with realized and unrealized holding gains and losses included in "other income (expense)" in the consolidated statements of income.

During 2017, the Company invested in Roy Rogers Musical, LLC for a one-half percent interest of the net profits, as defined in the agreement. For the year ended December 28, 2021, the Company recorded an impairment of the investment in the amount of $25,000 to the initial investment. Included in investment reserve - other at December 28, 2021 and December 29, 2020 is $100,000 and $125,000, respectively, representing the purchase of this 0.5% equity interest as measured by the cost method.

Fair value measurements
In accordance with accounting standards, the Company has characterized its investments in securities based on the priority of inputs used to value the investments, based on a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the investments fall within three different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investments. Investments recorded in the consolidated financial statements are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Company has the ability to access.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about activity market participants would use in pricing the investments.

Trade receivables
Substantially all of the Company's trade receivables represent royalties and marketing fees due from franchisees. Trade receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

The beginning trade receivables balance as of 2020 was $295,426.

Property and equipment
Property and equipment consists of vehicles, computer equipment, leasehold improvements, and furniture and fixtures, which are stated at cost. Depreciation of equipment, vehicles, and furniture and fixtures is provided using the straight-line method over the estimated useful life of five years. Leasehold improvements are capitalized and amortized over the lesser of the lease term or the life of the improvement.

Other assets
The Company bases its accounting for an intangible asset on its useful life to the reporting entity in accordance with accounting standards. An intangible asset with a finite useful life is amortized. An intangible asset with an indefinite useful life is not amortized; instead, it is tested for impairment annually.

The Company's intangible assets consist of the trademarks and service marks acquired. The trademarks and service marks acquired are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of such assets is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are expected to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets.

Revenue recognition
The Company is in the business of franchising quick service restaurants to operate under its trade name, Roy Rogers. A franchise includes, but is not necessarily limited to, territorial rights, management and operational training, marketing assistance and a license to use specified trade names, trademarks and service marks.

Franchise fees and area development fees are deferred when received and recognized as revenue over the contractual term of each respective agreement.

Franchise royalty and marketing fee revenue is based on a percentage of sales of the franchised restaurants and are recognized as income when earned.

Other revenue is recognized as income when earned and consists primarily of early termination fees and forfeited franchise fee deposits.

Vendor incentives
The Company receives incentives from certain vendors. These incentives are recognized as earned and are classified as other revenue.

Income taxes
Roy Rogers Franchise Company, LLC and Roy Rogers Trademark Company, LLC have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes or take any tax positions in order to qualify as a pass-through entity. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its owners on their respective income tax returns. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

Roy Rogers Franchise Company, LLC's federal tax status as a pass-through entity is based on its legal status as a limited liability company, and accordingly, is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2017 remain open.

Roy Rogers Trademark Company, LLC's federal tax status as a pass-through entity is based on its legal status as a single member limited liability company, and accordingly, is not required to file a tax return with the Internal Revenue Service.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of the contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash reserve

The Company's management internally reserves funds on a monthly basis for marketing funds. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows:

	2021	2020
Cash and cash equivalents	$ 1,391,994	$ 941,840
Cash restricted for marketing fund	238,035	205,317
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 1,630,029	$ 1,147,157

Note 3 - Investments

Investments consisted of the following at December 28, 2021 and December 29, 2020:

	December 28, 2021		
	Cost	Cumulative unrealized appreciation	Market
Money market funds	$ 4,615	$ -	$ 4,615
Fixed income securities	50,606	2,148	52,754
Equity security mutual funds	149,626	95,039	244,665
	$ 204,847	$ 97,187	$ 302,034

	December 29, 2020		
	Cost	Cumulative unrealized appreciation	Market
Money market funds	$ 4,519	$ -	$ 4,519
Fixed income securities	50,606	3,784	54,390
Equity security mutual funds	143,205	57,330	200,535
	$ 198,330	$ 61,114	$ 259,444

The Company measures the fair value of its investments on a recurring basis based on the fair value hierarchy; its investments are classified within that hierarchy as follows:

	December 28, 2021			
	Total	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Money market funds	$ 4,615	$ 4,615	$ -	$ -
Fixed income securities	52,754	52,754	-	-
Equity security mutual funds	244,665	244,665	-	-
	$ 302,034	$ 302,034	$ -	$ -

	December 29, 2020			
	Total	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Money market funds	$ 4,519	$ 4,519	$ -	$ -
Fixed income securities	54,390	54,390	-	-
Equity security mutual funds	200,535	200,535	-	-
	$ 259,444	$ 259,444	$ -	$ -

Note 4 - Note payable

On June 19, 2020, the Company entered into a $281,600 term loan agreement (the "Loan") with PNC Bank. The Loan bears interest at a fixed rate of 3.90% per annum and matures on June 19, 2027. Starting on June 19, 2020, the Company was required to begin making monthly principal and interest payments equal to the amount necessary to repay the principal balance of the Loan over a seven-year amortization period. The outstanding principal balance of the loan was $227,570 and $263,943 as of December 28, 2021 and December 29, 2020, respectively. Interest expense was $9,749 and $5,404 for the years ended December 28, 2021 and December 29, 2020, respectively, and is included in interest expense on the consolidated statements of income.

Future maturities on the note payable are as follows:

Year ending December 31,	
2022	$ 37,806
2023	39,328
2024	40,896
2025	42,558
2026	44,272
Thereafter	22,710
	$ 227,570

Note 5 - Related party transactions

Management fee

The Company pays a related entity of the members a management fee for services performed in the general administration of the business, including a charge for office facilities. For the years ended December 28, 2021 and December 29, 2020, $96,191 and $80,740, respectively, were incurred.

Wages and benefits

The Company reimburses the related entity for salaries, payroll taxes and benefits incurred as the central paymaster of the related companies within the group for all employees. For the years ended December 28, 2021 and December 29, 2020, $713,440 and $604,713, respectively, were charged to operations.

Due to affiliates

The Company reimburses certain related entities for management fees, salaries and benefits as described above. Additionally, the Company advances monies to these related entities throughout the year for future anticipated expenditures. The net effect of all these transactions may result in either a payable or receivable at year-end. As of December 28, 2021 and December 29, 2020, the Company had a due to affiliate balance of $88,274 and was owed $89,114, respectively, to related entities for such transactions.

Note 6 - Concentration of credit risk

The Company, at times throughout the year, may have funds on deposit with a financial institution in excess of federally insured amounts. The Company has not experienced any losses on cash accounts and believes it is not exposed to significant concentration of credit risk with respect to these cash balances at December 28, 2021.

Note 7 - Commitments

The Company entered into a seven-year agreement with Coca-Cola Foodservice ("CCF") wherein the Company agrees to promote and otherwise provide CCF products as the primary beverage at its Roy Roger franchisee locations effective January 1, 2018. The agreement ends at the earlier of seven years or until the participating system outlets have purchased a predetermined volume of CCF's products at fixed prices.

The Company operates a gift card program on behalf of its franchises. The net amount of cash collected or redeemed by participating franchised restaurants is transferred on a daily basis by a third-party vendor between the Company and participating franchised restaurants. Included in gift card liability at December 28, 2021 and December 29, 2020 were $197,905 and $226,008, respectively, for redemption by the franchised restaurants.

The beginning gift card liability balance as of 2020 was $234,804.

Note 8 - Marketing costs and funds

The Company currently maintains a marketing fund established to collect and administer funds contributed for use in marketing and promotional programs. Contributions to the Marketing Fund are required for franchised restaurants and are based on a percentage of restaurant sales. Restricted assets and related liabilities of the Marketing Fund at December 28, 2021 and December 29, 2020, were as follows:

	2021	2020
Cash	$ 238,035	$ 205,317
Accounts receivable	73,495	64,724
Prepaid expenses	2,474	-
Due from / (to) affiliates	18,037	9,382
Marketing Fund restricted assets	$ 332,041	$ 279,423
Total liabilities	$ 332,041	$ 279,423
Members' equity	-	-
Marketing Fund restricted liabilities	$ 332,041	$ 279,423

Note 9 - Contingencies

In early 2020, an outbreak of a novel strain of coronavirus that causes COVID-19 emerged globally and the spread of this virus has caused business disruption domestically in the United States, including the area in which the Company primarily operates. The Company made certain concessions to franchisees during this time resulting in a reduction of royalty revenue of $0 and $53,422 incurred during the years ended December 28, 2021 and December 29, 2020, respectively. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this uncertainty. Therefore, while the Company does not expect this matter to materially impact the Company's financial condition, results of operations, or cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Note 10 - Subsequent events

Events that occur after the consolidated balance sheet date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated balance sheet date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Company through April 29, 2022 (the date the consolidated financial statements were available to be issued) and has concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

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Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Financial Statements and Independent Auditor's Report

December 29, 2020 and December 31, 2019

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Roy Rogers Franchise Company, LLC and Subsidiary

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Independent Auditor's Report

To Management
Roy Rogers Franchise Company, LLC

We have audited the accompanying consolidated financial statements of Roy Rogers Franchise Company, LLC and Subsidiary, which comprise the consolidated balance sheets as of December 29, 2020 and December 31, 2019, and the related consolidated statements of income, members' equity and cash flows for the years then ended, and the related notes to consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Roy Rogers Franchise Company, LLC and Subsidiary as of December 29, 2020 and December 31, 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

Bethesda, Maryland
April 15, 2021

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Balance Sheets
December 29, 2020 and December 31, 2019

Assets

	2020	2019
Current assets		
Cash and cash equivalents	$ 941,840	$ 951,445
Restricted cash	205,317	61,504
Accounts receivable	266,689	295,426
Investments	259,444	231,282
Prepaid expenses	11,732	11,031
Due from affiliates	89,114	-
Total current assets	1,774,136	1,550,688
Property and equipment, at cost		
Equipment and vehicles	75,399	77,142
Leasehold improvements	343,439	56,306
Furniture and fixtures	8,437	8,437
	427,275	141,885
Less accumulated depreciation	128,880	115,743
Net property and equipment	298,395	26,142
Other assets		
Trademarks and service marks	734,454	734,454
Investment - other	125,000	125,000
Total other assets	859,454	859,454
Total assets	$ 2,931,985	$ 2,436,284

Liabilities and Members' Equity

Current liabilities		
Accounts payable and accrued expenses	$ 99,006	$ 134,023
Marketing fund restricted liabilities	279,423	123,584
Due to affiliates	-	120,038
Note payable	36,400	-
Total current liabilities	414,829	377,645
Long-term liabilities		
Deferred franchise fees	197,625	194,250
Gift card liability	226,008	234,804
Note payable	227,543	-
Total long-term liabilities	651,176	429,054
Members' equity	1,865,980	1,629,585
Total liabilities and members' equity	$ 2,931,985	$ 2,436,284

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Income
Years Ended December 29, 2020 and December 31, 2019

	2020	2019
Revenue		
Royalty revenue	$ 1,170,443	$ 1,607,273
Marketing funds revenue	788,951	862,941
Franchise fees	26,625	86,833
Other revenue	327,454	362,392
Total revenue	2,313,473	2,919,439
Operating costs and expenses		
Franchise marketing	892,163	947,397
Wages and benefits	792,632	852,949
Management fees	107,412	113,157
Professional fees	75,029	83,048
Travel	21,761	55,172
Franchise development	32,589	54,296
Office	22,681	51,507
Insurance	20,195	18,272
Depreciation	14,880	7,706
Repairs and maintenance	14	1,693
Licenses, permits and other	618	600
Total operating costs and expenses	1,979,974	2,185,797
Income from operations	333,499	733,642
Other income (expense)		
Interest expense	(5,404)	-
Dividend income	4,826	5,646
Unrealized investment holding appreciation	25,348	29,932
Realized gain (loss) on investments	(689)	4,566
Gain on disposal of property and equipment	-	9,322
Total other income (expense)	24,081	49,466
Net income	$ 357,580	$ 783,108

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Members' Equity
Years Ended December 29, 2020 and December 31, 2019

Members' equity, December 25, 2018	$	1,249,208
Net income		783,108
Distributions to members		(402,731)
Members' equity, December 31, 2019		1,629,585
Net Income		357,580
Distribution to members		(121,185)
Members' equity, December 29, 2020	$	1,865,980

See Notes to Consolidated Financial Statements.

Roy Rogers Franchise Company, LLC and Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 29, 2020 and December 31, 2019

	2020	2019
Cash flows from operating activities		
Net income	$ 357,580	$ 783,108
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	14,880	7,706
Unrealized investment holding (appreciation) loss	(25,348)	(29,932)
Net realized gain on investments	691	(4,566)
Gain on disposal of property and equipment	-	(9,322)
Net change in operating assets and liabilities		
Accounts receivable	28,737	(79,450)
Prepaid expenses	(701)	13,913
Net advances received from affiliates	(120,038)	120,038
Marketing fund restricted liabilities	155,839	(100,824)
Accounts payable and accrued expenses	(35,017)	9,177
Gift card liability	(8,796)	(71,329)
Deferred franchise fees	3,375	(57,900)
Net cash provided by operating activities	371,202	580,619
Cash flows from investing activities		
Purchase of investments	(14,618)	(35,230)
Proceeds from sale of investments	11,113	30,817
Purchase of property and equipment	(287,133)	-
Proceeds from disposal of property and equipment	-	9,322
Net repayment of advances due from affiliates	(89,114)	189,017
Net cash (used in) provided by investing activities	(379,752)	193,926
Cash flows from financing activities		
Proceeds from notes payable	281,600	-
Principle payments on notes payable	(17,657)	-
Distributions to members	(121,185)	(402,731)
Net cash provided by (used) in financing activities	142,758	(402,731)
Net increase in cash, cash equivalents and restricted cash	134,208	371,814
Cash, cash equivalents and restricted cash at beginning of year	1,012,949	641,135
Cash, cash equivalents and restricted cash at end of year	$ 1,147,157	$ 1,012,949

See Notes to Consolidated Financial Statements.

Note 1 - Nature of business and summary of significant accounting policies

Nature of business

Roy Rogers Franchise Company, LLC, a Maryland limited liability company, is engaged in the business of franchising the Roy Rogers trademarks and service marks to fast food restaurants. The operating agreement provides that Roy Rogers Franchise Company, LLC terminates in June 2027, unless terminated sooner, and that each member's liability is limited to the amount of their capital account. Additionally, the agreement provides that profits and losses shall be allocated to the members in proportion to their respective percentages of interest. Roy Rogers Franchise Company, LLC is the franchisor for seven area franchisees operating 25 locations with one that is temporarily closed as of December 29, 2020 (seven area franchisees operating 24 locations as of December 31, 2019) in the northeastern region of the United States. Under the franchise agreement, the franchisee pays an initial franchise fee and, based on a specified percentage of sales, royalties to Roy Rogers Franchise Company, LLC and marketing fees to a separate trust. Roy Rogers Trademark Company, LLC, a Maryland limited liability company, holds all rights, title, and interest to the Roy Rogers trademarks. Roy Rogers Trademark Company, LLC is wholly owned by Roy Rogers Franchise Company, LLC.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Roy Rogers Franchise Company, LLC and Roy Rogers Trademark Company LLC, collectively the "Company". All significant intercompany transactions and balances have been eliminated in consolidation.

The Company maintains a national marketing fund (the "Marketing Fund") established to collect and administer funds contributed for use in advertising and promotional programs for franchised restaurants.

Fiscal year

For financial reporting, the Company has adopted a reporting year consisting of thirteen four-week periods. Accordingly, the fiscal year consists of 52 weeks, except for a periodic adjustment for a fiscal year of 53 weeks every fifth year. The years ended December 29, 2020 and December 31, 2019 consist of 52 and 53 weeks, respectively.

Investments

The Company classifies its investments in marketable debt and equity securities as "trading securities". Securities classified as trading are those securities bought and held principally for the purpose of selling them in the near term. These securities are carried at market value based on quoted market prices, with realized and unrealized holding gains and losses included in "other income (expense)" in the consolidated statements of income.

During 2017, the Company invested in Roy Rogers Musical, LLC for a one-half percent interest of the net profits, as defined in the agreement. Included in investment - other at December 29, 2020 and December 31, 2019 is $125,000, representing the purchase of this 0.5% equity interest as measured by the cost method.

Fair value measurements

In accordance with accounting standards, the Company has characterized its investments in securities based on the priority of inputs used to value the investments, based on a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the investments fall within three different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investments. Investments recorded in the consolidated financial statements are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Company has the ability to access.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about activity market participants would use in pricing the investments.

Trade receivables
Substantially all of the Company's trade receivables represent royalties and marketing fees due from franchisees. Trade receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

The beginning trade receivables balance as of 2019 was $250,976.

Property and equipment
Property and equipment consists of vehicles, computer equipment, leasehold improvements, and furniture and fixtures, which are stated at cost. Depreciation of equipment, vehicles, and furniture and fixtures is provided using the straight-line method over the estimated useful life of five years. Leasehold improvements are capitalized and amortized over the lesser of the lease term or the life of the improvement.

Other assets
The Company bases its accounting for an intangible asset on its useful life to the reporting entity in accordance with accounting standards. An intangible asset with a finite useful life is amortized. An intangible asset with an indefinite useful life is not amortized; instead it is tested for impairment annually.

The Company's intangible assets consist of the trademarks and service marks acquired. The trademarks and service marks acquired are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of such assets is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are expected to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets.

Revenue recognition
The Company is in the business of franchising quick service restaurants to operate under its trade name, Roy Rogers. A franchise includes, but is not necessarily limited to, territorial rights, management and operational training, marketing assistance and a license to use specified trade names, trademarks and service marks.

Franchise fees and area development fees are deferred when received and recognized as revenue over the contractual term of each respective agreement.

Franchise royalty and marketing fee revenue is based on a percentage of sales of the franchised restaurants and are recognized as income when earned.

Other revenue is recognized as income when earned and consists primarily of early termination fees and forfeited franchise fee deposits.

Vendor incentives
The Company receives incentives from certain vendors. These incentives are recognized as earned and are classified as other revenue.

Income taxes
Roy Rogers Franchise Company, LLC and Roy Rogers Trademark Company, LLC have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes or take any tax positions in order to qualify as a pass-through entity. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its owners on their respective income tax returns. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

Roy Rogers Franchise Company, LLC's federal tax status as a pass-through entity is based on its legal status as a limited liability company, and accordingly, is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2016 remain open.

Roy Rogers Trademark Company, LLC's federal tax status as a pass-through entity is based on its legal status as a single member limited liability company, and accordingly, is not required to file a tax return with the Internal Revenue Service.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of the contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications
Certain items from the prior year consolidated financial statements have been reclassified to conform to the current year presentation.

Note 2 - Cash reserve

The Company's management internally reserves funds on a monthly basis for marketing funds. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows.

	2020	2019
Cash and cash equivalents	$ 941,840	$ 951,445
Cash restricted for marketing fund	205,317	61,504
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 1,147,157	$ 1,012,949

Note 3 - Investments

Investments consisted of the following at December 29, 2020 and December 31, 2019:

	December 29, 2020		
	Cost	Cumulative unrealized appreciation (loss)	Market
Money market funds	$ 4,519	$ -	$ 4,519
Fixed income securities	50,606	3,784	54,390
Equity security mutual funds	143,205	57,330	200,535
	$ 198,330	$ 61,114	$ 259,444

	December 31, 2019		
	Cost	Cumulative unrealized appreciation (loss)	Market
Money market funds	$ 6,447	$ -	$ 6,447
Fixed income securities	48,734	1,340	50,074
Equity security mutual funds	140,334	34,427	174,761
	$ 195,515	$ 35,767	$ 231,282

The Company measures the fair value of its investments on a recurring basis based on the fair value hierarchy; its investments are classified within that hierarchy as follows:

	December 29, 2020			
	Total	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Money market funds	$ 4,519	$ 4,519	$ -	$ -
Fixed income securities	54,390	54,390	-	-
Equity security mutual funds	200,535	200,535	-	-
	$ 259,444	$ 259,444	$ -	$ -

	December 31, 2019			
	Total	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Money market funds	$ 6,447	$ 6,447	$ -	$ -
Fixed income securities	50,074	50,074	-	-
Equity security mutual funds	174,761	174,761	-	-
	$ 231,282	$ 231,282	$ -	$ -

Note 4 - Note payable

On June 19, 2020, the Company entered into a $281,600 term loan agreement (the "Loan") with PNC Bank. The Loan bears interest at a fixed rate of 3.90% per annum and matures on June 19, 2027. Starting on June 19, 2020, the Company was required to begin making monthly principal and interest payments equal to the amount necessary to repay the principal balance of the Loan over a seven-year amortization period. The outstanding principal balance of the loan was $263,943 and $0 as of December 29, 2020 and December 31, 2019, respectively. Interest expense was $5,404 and $0 for the years ended December 29, 2020 and December 31, 2019, respectively, and is included in interest expense on the consolidated statements of income.

Future maturities on the note payable are as follows:

Year ending December 31,	
2021	$ 36,400
2022	37,806
2023	39,328
2024	40,896
2025	42,558
Thereafter	66,955
	$ 263,943

Note 5 - Related-party transactions

Management fee

The Company pays a related entity of the members a management fee for services performed in the general administration of the business, including a charge for office facilities. For the years ended December 29, 2020 and December 31, 2019, $80,740 and $120,038, respectively, were incurred.

Wages and benefits

The Company reimburses the related entity for salaries, payroll taxes and benefits incurred as the central paymaster of the related companies within the group for all employees. For the years ended December 29, 2020 and December 31, 2019, $604,713 and $852,949, respectively, were charged to operations.

Due to affiliates

The Company reimburses certain related entities for management fees, salaries and benefits as described above. Additionally, the Company advances monies to these related entities throughout the year for future anticipated expenditures. The net effect of all these transactions may result in either a payable or receivable at year-end. As of December 29, 2020 and December 31, 2019, the Company was owed 89,114 and due $109,610, respectively, to related entities for such transactions.

Note 6 - Concentration of credit risk

The Company, at times throughout the year, may have funds on deposit with a financial institution in excess of federally insured amounts. The Company has not experienced any losses on cash accounts and believes it is not exposed to significant concentration of credit risk with respect to these cash balances at December 29, 2020.

Note 7 - Commitments

The Company entered into a seven-year agreement with Coca-Cola Foodservice ("CCF") wherein the Company agrees to promote and otherwise provide CCF products as the primary beverage at its Roy Roger franchisee locations effective January 1, 2018. The agreement ends at the earlier of seven years or until the participating system outlets have purchased a predetermined volume of CCF's products at fixed prices. The Company operates a gift card program on behalf of its franchises. The net amount of cash collected or redeemed by participating franchised restaurants is

transferred on a daily basis by a third-party vendor between the Company and participating franchised restaurants. Included in gift card liability at December 29, 2020 and December 31, 2019 were $226,008 and $234,804, respectively, for redemption by the franchised restaurants.

The beginning gift card liability balance as of 2019 was $306,133.

Note 8 - Marketing costs and funds

The Company currently maintains a marketing fund established to collect and administer funds contributed for use in marketing and promotional programs. Contributions to the Marketing Fund are required for franchised restaurants and are based on a percentage of restaurant sales. Restricted assets and related liabilities of the Marketing Fund at December 29, 2020 and December 31, 2019, were as followed:

	2020	2019
Cash	$ 205,317	$ 61,504
Accounts receivable	64,724	140,555
Due from / (to) affiliates	9,382	(78,475)
Marketing fund restricted assets	$ 279,423	$ 123,584
Total liabilities	$ 279,423	$ 123,584
Members' equity	-	-
Marketing fund restricted liabilities	$ 279,423	$ 123,584

Note 9 - Contingencies

In early 2020, an outbreak of a novel strain of coronavirus that causes COVID-19 emerged globally and the spread of this virus has caused business disruption domestically in the United States, including the area in which the Company primarily operates. The Company made certain concessions to franchisees during this time resulting in a reduction of royalty revenue of $53,422 incurred during the year ended December 29, 2020. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this uncertainty. Therefore, while the Company does not expect this matter to materially impact the Company's financial condition, results of operations, or cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Note 10 - Subsequent events

Events that occur after the consolidated balance sheet date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated balance sheet date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Company through April 15, 2021 (the date the consolidated financial statements were available to be issued) and has concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

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Exhibit J

Confidentiality and Non-Disclosure Agreement

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

As an inducement to Roy Rogers Franchise Company, LLC ("**Roy Rogers**") to disclose to the undersigned Roy Rogers' Confidential Manuals ("**Manual(s)**"), as part of its pre-sale investigation about the possible purchase of a Roy Rogers franchise, the undersigned agrees: (1) to hold all information contained in the Manual(s) in strict confidence as a valued trade secret and property right of Roy Rogers; (2) not to disclose such information to any other person or entity unless such person or entity is subject to a confidentiality agreement with Roy Rogers and Roy Rogers has provided its prior written consent to such disclosure; and (3) not to use such information for its or any other person's or entity's benefit except in connection with the operation of a business licensed to the undersigned by Roy Rogers.

The undersigned acknowledges that Roy Rogers may exercise all legal and equitable remedies available to it in enforcing this Agreement. The undersigned also acknowledges that a violation of the terms of this Agreement will cause irreparable injury to Roy Rogers, for which no adequate remedy at law may be available, and that Roy Rogers may, among other things, seek the issuance of an injunction prohibiting any conduct by the undersigned in violation of the terms of this Agreement. The undersigned agrees to pay all costs and expenses, including reasonable attorney's fees, incurred by Roy Rogers in enforcing this Agreement.

By: _____

Name: _____

Title: _____

Date: _____

Exhibit K

State-Specific Disclosures

1. Maryland
2. New York
3. Virginia

Maryland Disclosure

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document for Roy Rogers Franchise Company, LLC for use in the State of Maryland shall be amended as follows:

1. **Item 17**, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

> The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law.
>
> The Franchise Agreement permits you to sue only in the jurisdiction in which we maintain our principal place of business (which is currently, Maryland), except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, and for those claims, you may file suit in Maryland.

2. Exhibit N, "Franchisee Compliance Certification," shall be amended by the addition of the following at the end of Exhibit N:

> The representations under this Franchisee Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Each provision of this addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this addendum to the Disclosure Document.

New York Disclosure

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

The franchisee will be required to make an estimated initial investment ranging from $1,235,250 to $1,580,950. This amount may exceed the franchisor's members equity as of December 28, 2021, which is $2,082,427.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Franchise Disclosure Document for Roy Rogers Franchise Company, LLC for use in the State of New York shall be amended as follows:

1. The last sentence of **Item 3**, "Litigation," shall be deleted in its entirety, and the following language shall be substituted in its place:

Except for the action described above, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action (or a significant number of civil or arbitration actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Except for the action described above, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded *nolo contendere* to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded *nolo contendere* to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Except for the action described above, neither we, nor any of our predecessors, nor any person identified in **Item 2** above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a franchise as a real estate broker or sales agent.

2. The paragraph under **Item 4**, "Bankruptcy" is deleted in its entirety and the following language substituted in its place:

Neither the franchisor, nor any predecessor or current officer of the Franchisor, during the ten-year period immediately preceding the date of this Disclosure Document, has filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; obtained a discharge of its debts under the bankruptcy code; or was a principal officer in a company, or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year of the time that the officer or general partner held this position in the company or partnership.

3. **Item 17**, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting rows d, j, and w, and the following new rows d, j, and w shall be substituted in their place:

Provision	Section in Franchise or other Agreement	Summary
d. Termination by you	None	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law.
j. Assignment of contract by us	§ 12.1 in Franchise Agreement	There are no limits on our right to sign the Franchise Agreement. No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement.
w. Choice of law	§ 22.1 in Franchise Agreement	Maryland. The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

Virginia Disclosure

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

> Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).
>
> "According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

Exhibit L

Agreement Amendments

1. Maryland
2. New York
3. Virginia

Maryland Franchise Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Roy Rogers Franchise Agreement (the "**Agreement**") agree as follows:

1. Section 2.2.7 of the Agreement, under the Section "Term And Renewal," shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in its place:

> 2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents, and employees, excluding only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law;

2. Section 12.4.1 of the Agreement, under the heading "Conditions for Transfer," shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in its place:

> 12.4.1. The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between Franchisee and Franchisor or its affiliates, and federal, state, and local laws and rules, and excluding only such claims as the transferor may have under the Maryland Franchise Registration and Disclosure Law;

3. Sections 23.2 and 23.7 of the Agreement, under the headings "Venue" and "Limitation of Actions," shall be deleted in their entirety, and shall have no force or effect; and the following shall be substituted in their place:

> 23.2 Venue. Subject to Section 23.3 below, the parties agree that any action brought by Franchisee against Franchisor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Franchisor has its principal place of business (except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, which may be brought in Maryland even if Franchisor's principal place of business is not in Maryland). Any action brought by Franchisor against Franchisee in any court, whether federal or state, may be brought within the state and judicial district in which Franchisor has its principal place of business. The parties agree that this Section 23.2 shall not be construed as preventing either party from removing an action from state to federal court. Franchisee hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.
>
> 23.7 **Limitation of Actions. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Restaurant, must be brought or asserted before the expiration of the earlier of: (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (c) two (2) years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred; except that any and all claims arising under the**

Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years from the execution of the Franchise Agreement, or such action shall be barred. Claims of Franchisor attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

4. Section 24 of the Agreement, under the heading "Acknowledgments," shall be supplemented by the following:

24.8 No Waiver. The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

24.9 Franchisee Compliance Certification. The Franchisee Compliance Certification is not intended to be, and shall not act as, a release, estoppel or waiver of any liability for valid claims under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Maryland Area Development Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§ 14-201 through 14-233, the parties to the attached Roy Rogers Area Development Agreement (the "Agreement") agree as follows:

1. Section 7.4.1 of the Agreement, under the heading "Transfers," shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in its place:

> 7.4.1. The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this agreement, and any other agreement between Developer and Franchisor or its affiliates, and federal, state, and local laws and rules, excluding only such claims as the transferor may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);

2. Sections 15.2 and 15.7 of the Agreement, under the Sections "Venue" and "Limitations of Actions," shall be deleted in their entirety, and shall have no force or effect; and the following shall be substituted in their place:

> 15.2 Venue. Subject to Section 15.3 below, the parties agree that any action brought by Franchisee against Franchisor in any court, whether federal or state, shall be brought within such state and in the judicial district in which Franchisor has its principal place of business at the time the action is commenced (except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, which may be brought in Maryland even if Franchisor's principal place of business is not in Maryland). Any action brought by Franchisor against Developer in any court, whether federal or state, may be brought within the state and judicial district in which Franchisor has its principal place of business at the time the action is commenced. The parties agree that this Section 15.2 shall not be construed as preventing either party from removing an action from state to federal court. Developer hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.

> 15.7 **Limitations of Actions. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF DEVELOPER AND FRANCHISOR, OR DEVELOPER'S OPERATION OF THE BUSINESS CONTEMPLATED HEREUNDER, ANY PROCEEDING, OR ANY CLAIM IN ANY PROCEEDING (INCLUDING ANY DEFENSES OR ANY CLAIMS OF SET-OFF OR RECOUPMENT) MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FROM BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR FROM THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED; EXCEPT**

THAT ANY AND ALL CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW (MD. CODE BUS. REG. §§ 14-201 THROUGH 14-233) SHALL BE COMMENCED WITHIN THREE (3) YEARS FROM THE GRANT OF THE FRANCHISE. CLAIMS OF FRANCHISOR ATTRIBUTABLE TO UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS.

4. Section 16 of the Agreement, under the heading "Acknowledgments," shall be supplemented by the following:

16.10 No Waiver. The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

16.11 Franchisee Compliance Certification. The Franchisee Compliance Certification is not intended to be, and shall not act as, a release, estoppel or waiver of any liability for valid claims under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this amendment.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Roy Rogers Franchise Agreement (the "**Agreement**") agree as follows:

1. Section 2.2.7 of the Agreement, under the Section "Term and Renewal," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents, and employees, provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied; and

2. Section 12.4.1 of the Agreement, under the Section "Transfer of Interest," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 12.4.1 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Franchisee and Franchisor or its affiliates, and federal, state, and local laws and rules, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

3. Section 15.9 of the Agreement, under the Section "Covenants," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 15.9 Irreparable Injury. Franchisee acknowledges that Franchisee's violation of the terms of this Section 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly agrees that Franchisor may seek an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 15.

4. Section 23.5 of the Agreement, under the Section "Applicable Law and Dispute Resolution," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

> 23.5 Injunctive Relief. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

5. Section 23 of the Agreement, under the Section "Applicable Law and Dispute Resolution," shall be supplemented by the addition of the following new Section 23.9:

23.9 No Waiver. Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

6. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchise will be opening in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

New York Area Development Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Roy Rogers Area Development Agreement (the "Agreement") agree as follows:

1. Section 7.4.1 of the Agreement, under the heading "Transfers," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 7.4.1 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 8.9 of the Agreement, under the Section "Irreparable Injury," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 8.9 Irreparable Injury. Developer acknowledges that Developer's violation of the terms of this Section 8 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer accordingly agrees that Franchisor may seek an injunction prohibiting any conduct by Developer in violation of the terms of this Section 8.

3. Section 15.5 of the Agreement, under the Section "Injunctive Relief," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

> 15.5 Injunctive Relief. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

4. Section 15 of the Agreement, under the heading "Applicable Law," shall be supplemented by the addition of the following new Section 15.9:

> 15.9 No Waiver. Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

5. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Developer is domiciled in or the franchise will be opening in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee or developer who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Virginia Franchise Agreement Amendment

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Amendment apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

2. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

This Amendment is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Amendment shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Roy Rogers Franchise Company, LLC	_____
Franchisor	Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Exhibit M

General Release

The following is our current general release agreement that we may require a franchisee and/or transferor to sign as part of a renewal or an approved transfer.

General Release

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____ day of _____, 20___ (the "**Effective Date**"), by and between:

- Roy Rogers Franchise Company, LLC a Maryland limited liability company whose principal place of business is 4991 New Design Road, Suite 109, Frederick, MD 21703 ("**Franchisor**"); and

- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ [("**Franchisee**")] [("**Transferor**")].

BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the "**Franchise Agreement**");

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under the Franchise Agreement (the "**Renewal Transaction**")] [to permit a transfer or assignment of _____ pursuant to Section 12 of the Franchise Agreement (the "**Transfer Transaction**")], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the "**Franchisor Group**") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the Roy Rogers Restaurant. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or the Roy Rogers Restaurant. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

[For Maryland Releases:

<u>Note for Maryland Release</u> -- add the following to section 1, at the end of the first sentence: "excluding only such claims arising under the Maryland Franchise Registration and Disclosure Law."]

2. <u>General Terms</u>.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5 The parties agree that all actions arising under this Release must be commenced in the state or federal court of general jurisdiction in Maryland, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. This Release shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Roy Rogers Franchise Company, LLC
Franchisor

By:_____

Name:_____

Title:_____

_____

By:_____

Name:_____

Title:_____

Exhibit N

Franchisee Compliance Certification

EXHIBIT N

ROY ROGERS FRANCHISE COMPANY, LLC
FRANCHISEE COMPLIANCE CERTIFICATION

As you know, Roy Rogers Franchise Company, LLC (the "**Franchisor**") and you are preparing to enter into a Franchise Agreement for the establishment and operation of a "Roy Rogers" franchised restaurant business (the "**Restaurant**"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with one of the Franchisor's representatives on _____, 20___.

2. Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it?

   Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

   Yes _____ No _____

   If no, what parts of the Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

   _____
   _____
   _____
   _____

4. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including required mediation, designated locations or states for any judicial proceedings, a waiver of your right to a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

   Yes _____ No _____

5. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("**FDD**") that was provided to you?

   Yes _____ No _____

6. Did you sign a receipt for the FDD indicating the date you received it?

   Yes _____ No _____

7. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed.)

_____
_____
_____
_____

8. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a Restaurant as a franchised business?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you acknowledge that Roy Rogers' current franchisees are identified in Exhibit F of the FDD, and Roy Rogers' former franchisees are listed in Exhibit G of the FDD, and that you have had an opportunity to speak with these franchisees to learn about their specific experiences operating a Restaurant as a franchised business (including their recent experiences during the past 12 months)?

Yes _____ No _____

10. Do you understand that the success or failure of your franchised Restaurant business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the actual or possible revenues, profits or operating costs of a "Roy Rogers" franchised business operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the amount of money you may earn in operating the Restaurant as a franchised business, that is contrary to the information contained in the FDD?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the total amount of revenue the Restaurant as a franchised business will or may generate, that is contrary to the information contained in the FDD?
Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the costs you may incur in operating the Restaurant as a franchised business, that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

15. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the likelihood of success that you should or might expect to achieve from operating the Restaurant as a franchised business?

Yes _____ No _____

16. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

17. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

19. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?

Yes _____ No _____

20. Do you understand that Franchisor and its affiliates and subsidiaries retain the right, directly or through others, to develop and franchise other similar franchises or different franchise systems inside or outside of your territory?

Yes _____ No _____

21. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise for the Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

22. If you have answered "Yes" to any of questions 11-18, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 11-18, then please leave the following lines blank.

_____
_____
_____
_____
_____
_____

23. Do you acknowledge and represent to us that (a) you or the entity that you form to be a franchisee will be the employer of all of your employees and will have sole discretion and authority to hire, fire, discipline, compensate and schedule working hours for, all of your employees; and (b) we and our affiliates will have no control, or right to control, any of the employment actions or decisions in your business? *We recommend that you retain employment law counsel to advise you with your employment issues and questions.*

Yes _____ No _____

23. As you have reviewed the financial performance representations in Item 19 of the Disclosure Documents, do you understand that:

a. Item 19 contains only historical data from certain franchised and affiliate-owned Restaurants, and are not a promise, assurance or guaranty of future results of your franchised Restaurant;

b. your results are likely to differ from the historical results reported;

c. your results as a start-up business and Restaurant are likely to be different than existing Restaurants; and

d. you have had ample opportunity to review Item 19 with a lawyer, accountant and/or other advisor of your choosing.

Yes _____ No _____

24. Do you understand:

a. that this franchised business may be impacted by other risks, including those outside your or our control such as local, national or global economic, political or social disruption, such as the 2020 COVID-19 outbreak?

b. that such disruptions, and any preventative, protective, or remedial actions that federal, state, and local governments may take in response to a disruption, may result in a period of business disruption, reduced customer demand, and reduced operations for Restaurants, and may require that we take actions that might not be contemplated under the Franchise Agreement?

c. the extent to which any such disruption impacts the Roy Rogers system, and your franchised business, will depend on future developments which are highly uncertain and which we cannot predict?

Yes _____ No _____

25. During my negotiations and evaluations leading up to my decision to buy a Roy Rogers Restaurant, I communicated with the following individuals from Roy Rogers or its affiliates, or independent brokers:

Name:	Address:
1.	_____
2.	_____
3.	_____
4.	_____

[Insert additional names and addresses below if needed]

26. We encourage and strongly recommend that all prospective franchisees contact and speak with existing franchisees as part of your review and diligence process, to inquire about their operations and experience. If you have done so, please identify the franchisees with whom you have communicated:

1. _____

2. _____

3. _____

Others: _____

If you did not contact any franchisees, please explain why: _____
_____
_____
_____.

27. I signed the Franchise Agreement and Addenda (if any) on _____, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE

REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISE APPLICANT

_____
Signed

_____
Printed Name

_____, 20__
Date

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, 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:

States	Effective Date
Indiana	
Kentucky	October 2, 2020
Maryland	
New York	
Virginia	

Exhibit O

RECEIPTS

ITEM 23 • RECEIPTS

(To be retained by Franchisee)

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

If Roy Rogers Franchise Company, LLC offers you a franchise, it must provide this Disclosure Document to you:

(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

(b) Under New York law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us for an affiliate in connection with the proposed franchise sale, or

(c) Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first, or

(d) Under Iowa law, if applicable, at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Roy Rogers Franchise Company, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate agency listed in **Exhibit D**.

The franchisor is Roy Rogers Franchise Company, LLC, 4991 New Design Road, Suite 109, Frederick, Maryland 21703, 301-695-5051.

Issuance Date: April 29, 2022.

The franchise sellers are Jim Plamondon, Roy Rogers Franchise Company, LLC, 4991 New Design Road, Suite 109, Frederick, Maryland 21703, 301-695-5051.

Any additional individual franchise sellers involved in offering the franchise are:

_____

Roy Rogers Franchise Company, LLC authorizes the respective state agencies identified on **Exhibit E** to receive service of process for it in the particular state.

I have received a Disclosure Document dated April 29, 2022, that included the following Exhibits and other Attachments:

A Franchise Agreement
B Preliminary Site Development Agreement
C Area Development Agreement
D List of State Administrators
E Agents for Service of Process
F List of Current Roy Rogers Franchisees
G List of Former Roy Rogers Franchisees
H List of Company-Owned Roy Rogers Restaurants Operated by PEI
I Financial Statements
J Confidentiality and Non-Disclosure Agreement
K State-specific Disclosures
L State-specific Agreement Amendments
M General Release
N Franchisee Compliance Certification
O Receipts (2 copies)
State Effective Dates

_____
Date Received

_____
Prospective Franchisee

_____
Name (please print)
Address:_____

_____

_____

ITEM 23 • RECEIPTS

(To be signed, dated, and sent to Franchisor)

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

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(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

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L State-specific Agreement Amendments
M General Release
N Franchisee Compliance Certification
O Receipts (2 copies)
State Effective Dates

_____
Date Received

_____
Prospective Franchisee

_____
Name (please print)
Address: _____

_____

_____